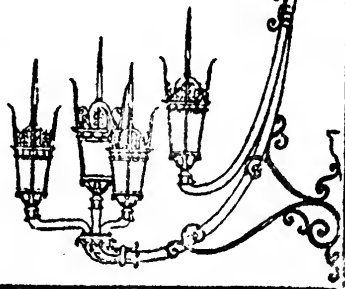



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COMPREHENSIVE ANNUAL FINANCIAL REPORT



C·I·T·Y O·F B·O·S·T·O·N

& COUNTY OF SUFFOLK

FISCAL YEAR ENDED

JUNE 30, 1988

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AUDITING DEPARTMENT

LEON P. STAMPS • CITY AUDITOR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF BOSTON AND COUNTY OF SUFFOLK



For the Year Ended
June 30, 1988

RAYMOND L. FLYNN, MAYOR

Prepared by
Auditing Department

LEON P. STAMPS
City Auditor

**City of Boston and County of Suffolk
Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 1988**

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INTRODUCTORY SECTION



City of Boston and County of Suffolk
Auditing Department

Honorable Mayor and the Members of the City Council:

In accordance with the requirements of the City Charter, I hereby submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Boston and County of Suffolk for the fiscal year ended June 30, 1988. To the best of our knowledge and belief, this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes the organizational chart of the City, a list of principal officials, this letter of transmittal and financial highlights. The financial section includes the general purpose financial statements (GPFS) and notes and the combining and individual financial statements and schedules for all governmental and proprietary funds. The statistical section includes selected demographic and financial information, presented on a multiyear basis.

The City is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Due to the size and intricacy of the City's financial system, the single audit report is issued separately from the financial report and submitted directly to the U.S. Department of Education, our cognizant agency. Copies are made available upon request.

The City provides a wide range of services. The major service areas are police and fire protection; schools; libraries; parks and recreational services; property and development; and public health services. The City of Boston also funds certain employee benefits, pays for state assessments and fulfills debt service requirements. In addition, the Governmental Accounting Standards Board (GASB) requires that all other activities the City has oversight responsibility for, be included in the reporting entity. The City's component units include the State-Boston and Boston Retirement Systems, the Boston Redevelopment Authority, Trustees of Health and Hospitals of the City of Boston, and the Economic Development and Industrial Corporation of Boston. The Boston Industrial Development Finance Authority and the Boston Water and Sewer Commission have not met the established criteria for inclusion, and accordingly have been excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Boston is the economic nucleus of both the Commonwealth of Massachusetts and the New England region, providing high technology, business services, medical, higher education, and public utility services. The City also serves as a significant cultural, governmental, and transportation center. In addition, the City of Boston is also the historical center of the State, with approximately 8.6 million people visiting the greater Boston area during 1987. The Greater Boston Convention and Visitors Bureau estimates these visitors had an economic impact upon greater Boston of \$5.5 billion in hotel accommodations, meals, entertainment, shopping, transportation, and other services.

With a population of 573,600 and 619,460 jobs in 1988, the ratio of jobs to population was second highest, surpassed only by Washington, D.C. according to the U.S. Bureau of the Census. Unemployment in the City has decreased significantly from 6.1 percent in 1980 to 3.4 percent in March of 1988, while the national average was 5.9 percent. Accompanying the steady growth in employment, the rise in economic activity and the drop in the jobless rate, are concerns over a possible regional labor shortage and an increase in the cost of living that exceeds that of the nation.

There are a number of issues with which the City will have to cope with in the coming years. These issues include but are not exclusive to: depression of the Central Artery, a major thoroughfare in the City and the building of a third tunnel crossing underneath Boston Harbor; financing and rebuilding Boston City Hospital, the flagship of the City's Department of Health and Hospitals; increases in care for the homeless; and providing affordable day care facilities.

MAJOR INITIATIVES

For the Year

The City has developed an equipment acquisition program that will finance the acquisition of communication equipment, motor vehicles, and other capital assets for various City departments. This was accomplished through master installment sale agreements, with the installment payments made from departmental budgets, subject to annual appropriation. The program, which is financed with Certificates of Participation, allows for the procurement of property through a financing vehicle at lower than vendor-financed levels, while not incurring general obligation debt.

The Office of Capital Planning (OCP) has measured the existing condition of the City's capital structure, forecasted the timing and financial requirements of new construction and rehabilitation, and has recommended allocation of current and future resources to meet the City's capital requirements. OCP's third and most recent capital plan, *Rebuilding Boston: a Five-Year Capital Plan*, identifies \$920 million in capital projects to be constructed through 1992.

During fiscal 1988, the Office of Budget and Program Evaluation established the "Boston Works Smarter Program," whereby, City employees are encouraged to submit suggestions to improve City services and enhance effectiveness and efficiency of employee job performance. Through the efforts of this program, the City has benefitted tremendously from the employee suggestions implemented throughout the year.

The City and the Boston Edison Company (Edison) and the Boston Gas Company, two of the City's largest taxpayers, in separate cases entered into settlement agreements concerning pending tax abatement cases. Under the terms of the settlements, the City will pay Edison approximately \$7 million each year for six years, and \$2.6 million each for five years to Boston Gas Company. Both utilities have agreed that certain future additions and retirements of property will be taxed at a fair cash value reducing the likelihood of any further tax abatement cases being litigated between the City and the utilities in future years. As a result of these favorable settlements the City reduced its abatement liability and has recognized \$76 million in additional property tax revenues for the year.

For the Future

The Central Artery/Third Harbor Tunnel Project. In 1985, the Federal Highway Administration (FHWA) approved a plan to alleviate congestion on Boston's I-93 central artery. This project, which began with initial public design hearings held in 1988, is scheduled to be completed by 1998. The two major components of this project are: (1) replacement of the six-lane elevated section of I-93 central artery with a new eight- to ten-lane road, mostly underground; and (2) extension of the I-90 Massachusetts Turnpike via a Seaport Access Road and a four-lane tunnel underneath Boston Harbor. The cost of this ten-year project is estimated to be \$4.4 billion supported with funds from sources other than the City, however, the City may incur some level of expenditure for support services. According to the project's Final Environmental Impact Statement (FEIS), transportation benefits derived from these projects will be: a reduction in congestion on the central artery; a 40 percent reduction in accident rates; diversion of an estimated 40,000 vehicles from local streets back to the interstate system. Other potential benefits to be derived are: an average 7,700 construction and related jobs per year; twenty-two acres of new commercial land; and 9,400 new permanent jobs created as a result of new development over the depressed artery; and significantly reduced air and noise pollution.

The Office of Capital Planning is formulating a long-range capital improvements plan in order to define needs and identify resources through and beyond the year 2000. The goal is to develop long-range solutions for the City's capital needs and to develop plans to meet those future obligations. These undertakings range from the construction of roadways, renovations of school buildings, replacement of fire-fighting apparatus to construction of the new Boston City Hospital.

The administration of the City of Boston is strongly committed in providing assistance to treat victims of AIDS. Budget proposals call for increased funding for the AIDS program with an additional \$1.2 million, which will provide approximately \$3 million for fiscal 1989. These monies will be expended in such areas as inpatient services, outreach programs, counseling services and medical supplies.

FINANCIAL INFORMATION

Accounting and Administrative Controls

The City Auditor is responsible for establishing and maintaining internal control procedures which are designed to ensure that the assets of the City are protected from loss, theft or misuse and can be relied upon to compile financial data to produce financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City Auditing Department's ability to track standard accounting functions has been enhanced through the acquisition of the Local Government Financial System (LGFS). This computerized financial management and accounting system has provided the City with an increased level of budgetary control over its financial resources. The operations of each fund are accounted for with a set of self-balancing accounts. These accounts are maintained on a budgetary basis, in accordance with the requirements promulgated by the Commonwealth's Department of Revenue; as mandated by Chapter 44 of the Massachusetts General Laws.

Budgetary Systems and Controls

In fiscal 1988, the Office of Budget and Program Evaluation (OBPE) implemented a program-based budgeting system and identified discrete major departmental functions (programs) to which proposed funds are now appropriated. Program budgeting focuses on specific program objectives and the attainment of those objectives. This process is facilitated by the systematic accumulation and analysis of key data that indicate the level and quality of services, the cost effectiveness of programs and the apportionment of resources. Through this new budgeting system, OBPE is able to hold departments accountable for their delivery of City services. The Auditor's Office also maintains an encumbrance accounting system as another technique to adhere to the budgetary controls set forth. As mandated by the Funding Loan Act of 1982, the City Auditor has instituted a quarterly allotment system to avert overspending of departmental and School Department payroll expenses.

Single Audit

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to comply with applicable laws and regulations related to federal financial assistance which it receives. This internal control structure is subject to periodic review and evaluation by management and the City Auditor. As part of the single audit, as described earlier, tests are made to determine the adequacy of the City's accounting and administrative control systems and compliance with applicable laws and regulations to those programs.

General Government Revenue Summary

The City's revitalized economy, increases in State distributions, high levels of taxable new development, new local option excises, and more aggressive collection of departmental receipts have resulted in significant growth in revenues. However, because of recent changes in national policy, Federal aid received by the City has declined dramatically, which represents an annual loss to the City of approximately \$18 million. The City generated total revenues of \$1.2 billion during fiscal 1988, representing an increase of 6.7 percent over the amount of \$1.1 billion received during fiscal 1987. Real and Personal Property tax revenues and state aid from the Commonwealth of Massachusetts continued to be the two most significant sources of revenue, comprising in aggregate approximately 70 percent of the total General Fund revenues for fiscal 1988. Overall, actual revenues and other available funds exceeded their budgeted amounts by \$11.5 million. This being the fourth consecutive year that the city has experienced a revenue surplus.

The table and graphs below presents a summary of the General Fund revenues on a budgetary basis for the year ended June 30, 1988, and the amount and percentage of increases and decreases compared to June 30, 1987.

REVENUES CLASSIFIED BY SOURCE
(Non GAAP Budgetary Basis)
(in millions of \$)

| Source | 1988 | | 1987 | | Increase (Decrease) from 1987 | |
|----------------------------------|------------------|-------|------------------|-------|----------------------------------|--------|
| | Amount | % | Amount | % | Amount | % |
| Real and Personal Property Taxes | \$425.5 | 34.8 | \$391.5 | 34.2 | \$34.0 | 8.7 |
| Motor Vehicle Excise Taxes | 15.4 | 1.3 | 15.8 | 1.4 | (0.4) | (2.5) |
| Other Excise Taxes | 24.6 | 2.0 | 23.7 | 2.1 | 0.9 | 3.8 |
| Departmental Revenues | 42.1 | 3.4 | 33.4 | 2.9 | 8.7 | 26.1 |
| Hospital Income | 147.3 | 12.0 | 142.7 | 12.5 | 4.6 | 3.2 |
| State Distributions | 437.4 | 35.8 | 409.8 | 35.8 | 27.6 | 6.7 |
| Payments in Lieu of Taxes | 17.7 | 1.4 | 17.5 | 1.5 | 0.2 | 1.1 |
| Parking Fines | 40.6 | 3.3 | 36.8 | 3.2 | 3.8 | 10.2 |
| Investment Income | 20.9 | 1.7 | 19.5 | 1.7 | 1.4 | 7.0 |
| Licenses and Permits | 20.0 | 1.6 | 18.6 | 1.6 | 1.4 | 7.3 |
| Other Available Funds | 28.2 | 2.3 | 36.8 | 3.2 | (8.6) | (23.3) |
| Sale of Property | 3.7 | 0.3 | 0.0 | 0.0 | 3.7 | — |
| Total Operating Revenues | <u>\$1,223.3</u> | 100.0 | <u>\$1,146.1</u> | 100.0 | <u>\$77.2</u> | 6.7 |

Revenue Changes by Source

Real and Personal Property Taxes. Property Tax revenue has changed from Boston's major source of revenue at 57.5 percent of total revenues in fiscal 1981 to the second largest source representing 34.8 percent in fiscal 1988. Revenues for fiscal 1988 were \$425.5 million, or 8.7 percent higher than the prior year's receipts of \$391.5 million. This increase in property tax revenues was primarily due to the City's efforts in collecting both current and delinquent taxes, as well as the increased taxable property base, a direct effect of the economic prosperity experienced in both the City and the State.

Motor Vehicle Excise. Over the past several years, the motor vehicle excise tax has exhibited steady growth. In part, growth was directly related to the State's improved economy which resulted in increased employment opportunities and higher wages. Also, collection programs designed to eliminate delinquent tax accounts from prior years has contributed to increased revenue. Receipts from Motor Vehicle Excise Tax have risen from \$7.5 million in fiscal 1983 to \$15.4 million in fiscal 1988. However, when compared to fiscal 1987 collections of \$15.8 million, there is a slight decrease of \$400 thousand.

Local Excise. In 1985, State legislation was enacted which authorized two local option excise taxes. One option provides for a local room-occupancy excise tax at a rate of up to 4 percent of the total amount of rent for each occupancy. The other option provides for an excise tax on the sale or use of jet fuel at a rate of 5 percent of the average sales price, but not less than five cents a gallon. These taxes represent the City's first new local revenue sources since the introduction of the Motor Vehicle Excise Tax in 1928. Revenues received during fiscal 1988 were \$24.6 million, as compared to \$23.7 million in fiscal 1987. This represents a 3.8 percent increase. Since 1986, the City of Boston has received over \$40 million from these sources. The local option excise taxes play an important role in the City's efforts to diversify revenue sources to further insulate the City against economic fluctuations.

Departmental Revenue. Revenues for fiscal 1988 have increased by \$8.6 million to \$42.1 million, this represents a 26.1 percent increase over fiscal 1987 collections of \$33.4 million. The significant sources include penalties and interest on property assessments, registration of deeds, parking facilities fees, and the State's rental and reimbursement to City for Suffolk County courthouses.

Hospital Income. Revenues derived from or on account of the City's Department of Health and Hospitals for 1988 amounted to \$147.3 million compared to revenues for fiscal 1987 of \$142.7 million or an increase of 3.2 percent. For the upcoming fiscal year, the City anticipates a modest degree of growth for Health and Hospitals' income.

State Distributions. State aid has increased significantly since 1980, it has gone from being less than a quarter of total General Fund revenues to more than one-third. The increase was largely a response to property tax reductions mandated by Proposition 2½. For fiscal 1988, State aid to all municipalities in the aggregate was \$2.8 billion, of which the City received \$437.4 million for General Fund purposes. This reflected an increase of \$27.6 million from a total of \$409.8 million received in fiscal 1987.

Payments in Lieu of Taxes. Approximately three-quarters of payments in lieu of taxes come from Chapter 121A corporations (major universities and hospitals located in the City). In addition, there are over a dozen non-profit entities which have entered into an agreement with the City on payment in lieu of taxes. Revenues collected from these sources amounted to \$17.7 million during fiscal year 1988, a moderate increase of 1.1 percent from fiscal 1987 receipts of \$17.5 million.

Parking Fines. The City has managed an increasingly effective and efficient program of parking fine collections. On September 1, 1981, the City established the Office of the Parking Clerk pursuant to State legislation, and took steps to improve parking enforcement and collection of fines. A few of the methods utilized by the City's Parking Clerk include denial of registration or license renewal until parking fines are paid, increased booting and increased issuance of fines for public safety violations. As a result, total fiscal 1988 fine receipts jumped to \$40.6 million, a \$3.8 million, or 10.2 percent increase over last year's collections of \$36.8 million.

Investment Income. In recent years the City has generated significant amounts of investment income. Investment income in fiscal 1988 and in fiscal 1987 was \$20.9 million and \$19.5 million, respectively. Primarily prevailing interest rates and average daily cash balances were the determining factors to this increase.

Licenses and Permits. The City has experienced a dramatic upswing in building permit revenue from fiscal 1988 onward. This is due directly to surge in development that has taken place in Boston over the last several years. The building boom has been broad-based, including both new office towers downtown and residential renovations in the neighborhoods. The Inspection Services Department has increased efforts to prevent the practices of contractors attempting to build without permits or applying for permits with artificially low, project estimates, resulting in better collection rates and more accurate estimates of building projects. Revenues in fiscal 1988 were \$20 million, an increase of 7.5 percent over fiscal 1987, receipts of \$18.6 million.

Other Available Funds. This particular revenue source decreased by \$8.6 million, primarily due to the loss of Federal Revenue Sharing monies during fiscal 1988.

Sale of City Property. The City recognized \$3.7 million during fiscal 1988 for sale of city property. No sales of property owned by the City were made in fiscal 1987.

General Government Expenditure Summary

As originally proposed, fiscal 1988 City and County appropriations were increased approximately 5 percent, somewhat lower than in prior years, to reflect the State-wide slowdown in overall revenue collections that support most City appropriations. Actual expenditures incurred in fiscal 1988 in the operating fund amounted to \$1.2 billion an \$83.8 million or 7.5 percent increase over fiscal 1987. Similar to fiscal 1987, the larger, more significant increases in expenditures were proportionate to the areas consistently absorbing 50 to 60 percent of the annual budget. These essential areas including Schools, Health and Hospitals, Public Safety, and Public Works consumed approximately 62 percent of the fiscal 1988 total of expenditures, of the \$1.2 billion expended in fiscal 1988, the lion's share of approximately 63 percent, provided for employee salaries and health and retirement benefits. Collective bargaining agreements and other union contracts resulted in a 6 percent increase in total wages and salaries from fiscal 1987 to fiscal 1988. Of the remaining expenditures 8.4 percent was expended for contractual services, 9 percent for current charges and obligations, 6.8 percent provided for debt service, 3.5 percent for supplies and materials, 2.8 percent for equipment and 6.5 percent for other miscellaneous expenditures. Overall, for fiscal 1988 appropriations were exceeded by approximately \$4.7 million. The major areas that exceeded their budgets were schools, by \$6.9 million and retirement contributions, by \$4.5 million. However, overall savings in many other areas across the City offset this \$11.4 million deficit by almost \$7 million, resulting in an overall appropriation deficit of \$4.7 million.

The table and graphs below presents a summary of the General Fund expenditures on a budgetary basis for the year ended June 30, 1988, and the amount and percentage of increases and decreases compared to June 30, 1987.

EXPENDITURES CLASSIFIED BY MAJOR SERVICE AREA
(Non GAAP Budgetary Basis)
(in millions of \$)

| Source | 1988 | | 1987 | | Increase (Decrease) from 1987 | |
|--------------------------|------------------|-------|------------------|-------|----------------------------------|--------|
| | Amount | % | Amount | % | Amount | % |
| General Government | \$ 48.1 | 4.0 | \$ 48.7 | 4.9 | (\$ 0.6) | (1.3) |
| Human Services | 6.2 | 0.5 | 6.0 | 0.5 | 0.1 | 2.0 |
| Public Safety | 209.5 | 17.4 | 186.4 | 18.6 | 23.1 | 12.4 |
| Public Works | 64.9 | 5.4 | 59.5 | 5.3 | 5.4 | 9.1 |
| Property and Development | 25.7 | 2.1 | 23.3 | 2.1 | 2.4 | 10.4 |
| Parks and Recreation | 14.2 | 1.2 | 10.8 | 1.0 | 3.4 | 31.5 |
| Library | 20.7 | 1.7 | 17.6 | 1.6 | 2.6 | 14.5 |
| Schools | 318.6 | 26.4 | 290.0 | 25.9 | 28.6 | 9.8 |
| Health and Hospitals | 157.2 | 13.0 | 140.8 | 12.6 | 16.5 | 11.7 |
| County Corrections | 25.1 | 2.1 | 22.2 | 2.0 | 2.9 | 13.2 |
| Judgments and Claims | 3.4 | 0.3 | 4.7 | 0.4 | (1.3) | (28.2) |
| Employee Benefits | 40.7 | 3.4 | 37.4 | 3.3 | 3.4 | 9.0 |
| Retirement Costs | 142.8 | 11.8 | 143.7 | 12.8 | (1.0) | (0.7) |
| Debt Requirements | 82.6 | 6.9 | 85.3 | 7.6 | (2.7) | (3.1) |
| State Assessments | 46.3 | 3.8 | 45.2 | 4.0 | 1.1 | 2.3 |
| Total Expenditures | <u>\$1,205.4</u> | 100.0 | <u>\$1,121.7</u> | 100.0 | <u>\$83.8</u> | 7.5 |

General Government. The \$48.1 million expended during fiscal year 1988 for general government administrative services decreased slightly by \$600,000 compared to fiscal 1987 expended amount of \$48.7 million. This exemplifies the City's commitment in maintaining balanced budgets and providing adequate services.

Public Safety. Expenditures for public safety increased by \$23.1 million to \$209.5 million, a 12.4 percent increase over the prior year. This increase represents the implementation of several innovative programs and initiatives undertaken by the Police, Fire, Inspectional Services and Traffic Departments. These initiatives include the expansion of the Drug Control Unit, implementation of neighborhood-based plan patrol, department-based towing program and abandoned-vehicle removal program. Additionally, a new police station was constructed along with acquisition and upgrade of various classes of equipment including a "911" communication response system. There were also significant increases in the staffing levels of each department coupled with substantial salary increases relative to new and existing collective bargaining increases.

Public Works. The \$5.4 million increase brought the expenditures for public works to \$64.9 million for fiscal 1988, a 9 percent increase over fiscal 1987. Contributing to this increase were an expanded street sweeping and street repairing program along with the acquisition of specialized equipment. Also, there was an increase in staffing levels necessary for implementation of the expanded programs.

Property and Development. Several new programs and systems contributed to the 10.4 percent increase in the level of expenditures for fiscal 1988, with well over 200 projects at various stages of development, additional or enhanced systems such as a cable-based security and a evaluation system for property disposition was introduced. Increases were also attributable to community service projects relative to nutrition, education, child care, recreation, and the elderly.

Libraries. The Libraries incurred \$20.2 million in expenditures in fiscal 1988, a \$2.6 million increase over fiscal 1987's \$17.6 million. That 14.5 percent increase allowed the Library to expand its audio-visual resources, permit additional hours, hire new librarians, provide building and structural repairs, and expand the book circulation system.

Parks and Recreation. Indicative of the 31.5 percent or \$3.4 million increase in expenditures from fiscal 1987 to fiscal 1988, have been the efforts undertaken to revitalize the City's parks and playgrounds. Implementation of a park and playground maintenance program, development of a human resource program, centralization of a park inventory system and implementation of a re-planting tree program are partially attributable for an increase in expenditures of over 90 percent in just the last two fiscal years. Increases in overall salaries and staffing levels has also substantially contributed to the escalation in expenditures.

Human Services. The total amount expended this year was \$6.2 million compared to \$6 million for fiscal 1987. Several factors contributed to the \$200,000 increase in this year's expenditures. Primarily, the administrative costs for the Rent Equity Board increased, due to a special emphasis on complying with the City's Rent Equity Ordinance (Chap. 34 of the Acts of 1984). In addition, the administrative costs for the Commission on Affairs of the Elderly increased.

Schools. The City has demonstrated its commitment to education through its financial support. Spending in fiscal 1988 totalled \$318.6 million, a \$28.6 million, or 9.8 percent increase over fiscal 1987. Through this increased funding the School Department was able to purchase more school supplies, institute drop-out prevention programs and increase its attention to school building maintenance.

Health and Hospitals. Boston City Hospital, Long Island Chronic Disease, and Mattapan Chronic Disease Hospitals provide health care services for over 230,000 outpatients and 17,000–18,000 inpatients, half of whom are uninsured or indigent and are not able to pay for the medical care provided. In addition to these patients and services, funding was provided to establish an infant mortality program, an AIDS Action Committee with 90 percent increase in funding over the prior year and an increase in the shelter program at Long Island Hospital. The costs of health care continued to spiral upward resulting in an 11.7 percent increase in the total level of spending for all programs in fiscal 1988. The total amount expended during fiscal 1988 of \$157.2 million represented 13 percent of all operating expenditures this year.

County Corrections. The City provides funds for the maintenance and operations of registry, judicial and penal facilities for Suffolk County. During fiscal 1988, the City expended \$25.1 million on behalf of Suffolk County for operations of the Penal Department, Registry of Deeds, the Courthouse and Suffolk County Jail. That expenditure represents a 13.2 percent increase in fiscal 1988 over fiscal 1987 and reflects efforts to improve medical services, install metal detectors and provide repairs to the building and structures.

Contributions to Retirement. Expenditures for retirement costs reduced by approximately \$1.0 million, from \$143.7 million in fiscal 1987 to \$142.8 million in 1988.

Employee Health Benefits. The costs of providing health insurance to current City employees and City retirees for fiscal 1988 totalled \$40.7 million, a 9 percent increase over the \$37.4 million cost in fiscal 1987. Increased health care costs, expansion of the Risk Management Office and implementation of an "Employee Wellness Program" were the main reasons for the increased spending level.

Judgments and Claims. Expenditures declined over the period from \$4.7 million in fiscal 1987 to \$3.4 million in fiscal 1988. The reason for this decrease was that fewer cases were settled during fiscal 1988.

State and District Assessments. Fiscal 1988 expenditures of \$46.3 million represented a 2.3 percent increase over the previous fiscal year. This \$1.1 million increase in expenditures relative to the City's allocation of costs associated with services provided by the State and other authorities reflect a higher overall cost of services provided.

Debt Requirements. The City's debt service costs for fiscal 1988 was \$82.6 million representing 6.9 percent of all expenditures and a decrease over fiscal 1987 of 3.1 percent or \$2.7 million. Although \$6.2 million of General Obligation Minibonds were matured and redeemed in the year, the decrease in expenditures reflects the favorable market conditions and the good credit rating of the City at the time of the initial public offerings which resulted in lower interest payments.

General Fund Balance. The fund equity of the General Fund has increased dramatically as a result of the City's continued efforts to maintain balanced budget operations. At the end of fiscal 1988 the fund equity position had increased to \$119.9 million from \$65.2 million in fiscal 1987.

Debt Administration. The direct debt of the City consisted of principally general obligation bonds outstanding. The components of this indebtedness include serial bonds and term bonds, during fiscal 1988 the City had not issued revenue anticipation notes.

In recognition of the City's improved financial condition, the investment rating services of Standard and Poor's Corporation and Moody's Investors Service have upgraded the City's credit rating to A – and A, respectively.

Pension Assistance. The City participates in a contributory retirement system, the State-Boston Retirement System (S-BRS), which is a cost-sharing, multiple-employer public employee retirement system established under the General Laws of the Commonwealth of Massachusetts providing pension benefits to retired employees. In addition to S-BRS, the Boston Retirement System is funded by the City for those active and retired members whose employment commenced prior to 1946. The City annually contributes an amount certified by the Public Employee Retirement Administration (PERA) as its share of the costs. A comparison of accumulated plan benefits and plan net assets as of June 30, 1988, has been included in Note 12 of the General Purpose Financial Statements.

Cash Management. The City of Boston maintains a cash and investment pool that is available for use by all funds, with the exception of trust funds, bond proceeds and certain grants. This general fund investment pool optimizes income while at the same time, ensures sufficient liquidity and safeguards against exposure.

The General Laws of the Commonwealth of Massachusetts Chapter 41, Section 55 sets out a list of approved investments of which the City can avail itself. The list includes securities of the U.S. Government or any of its agencies thereof, repurchase agreements that are collateralized by the same, certificates of deposits, commercial paper, or participation units in a combined investment fund under M.G.L. Chapter 29, Section 28a (public administered mutual funds).

The City of Boston's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Investment plans and vehicles are tied into its cash flow projections. This strategy provides for both transactional cash needs and time deposits at higher yields. All deposits are done during the day and to the banking institution which will clear the funds for the City's available use as quickly as possible. This system reduces the cash on hand and increases the amount of investments. All deposits are either collateralized or insured by Federal Depository Insurance Company and/or Deposit Insurance Fund of Massachusetts.

OTHER INFORMATION

Independent Audit. Massachusetts State Law requires an annual audit of the City's financial statements by independent certified public accountants. The accounting firm of Peat Marwick Main & Co., CPAs, have performed in this capacity since fiscal 1984. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. In addition to the requirements set forth in state statutes the audit also meet the guidelines of the federal Single Audit Act of 1984 and related OMB Circular A-128.

Acknowledgements. The preparation of this report has been accomplished through the professional and dedicated services of the Auditing Department. I wish to express my appreciation to all members of the department who contributed to its preparation. I would also like to thank all City departments and divisions for their cooperation throughout the year. In addition, I and the members of my staff are grateful for the invaluable guidance provided by the staff of our independent auditors.

Finally, I thank Mayor Raymond L. Flynn, members of the City Council, and the Audit Committee for their continued interest and support in the professional and innovative administration of the City's fiscal operations.

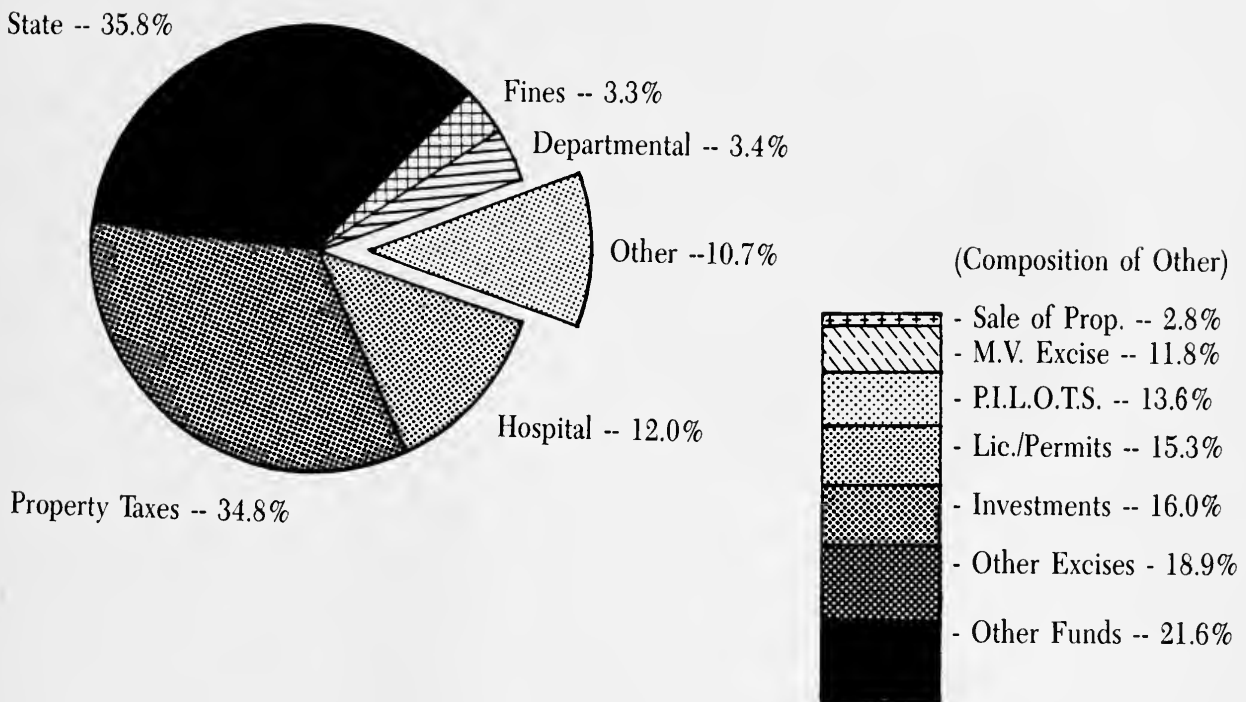
Respectfully submitted,



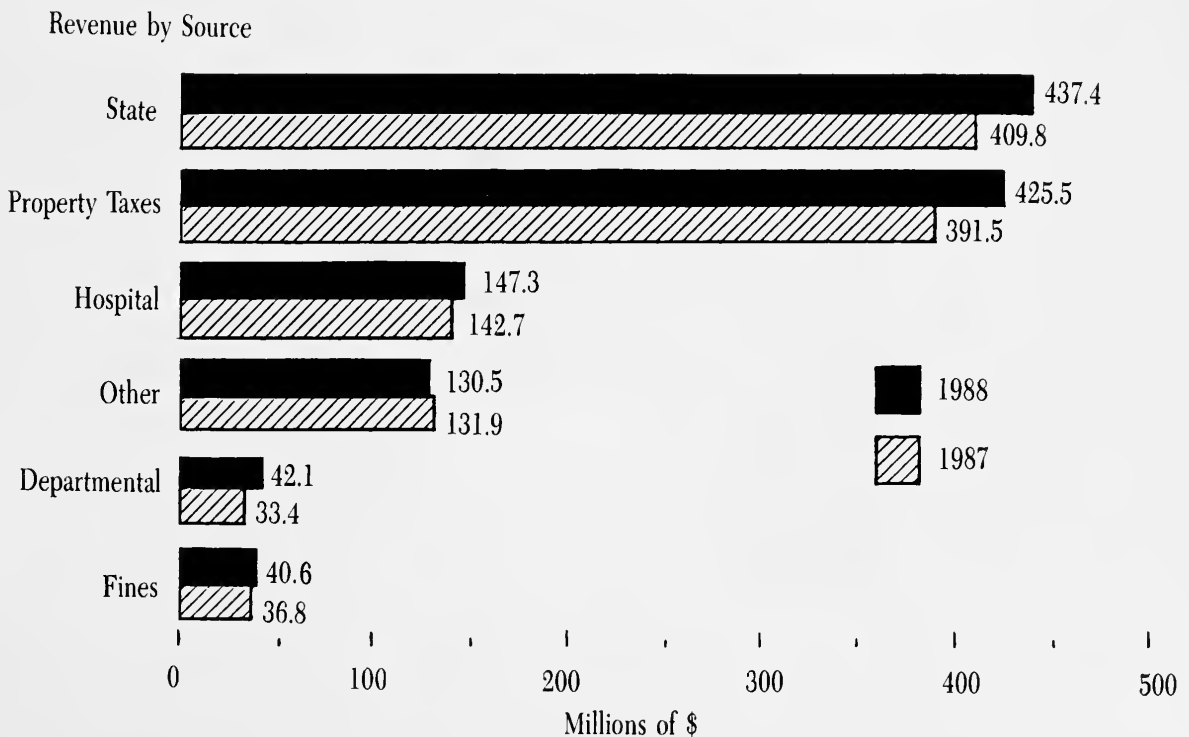
LEON P. STAMPS,
City Auditor.

General Fund Revenues

Year ended June 30, 1988

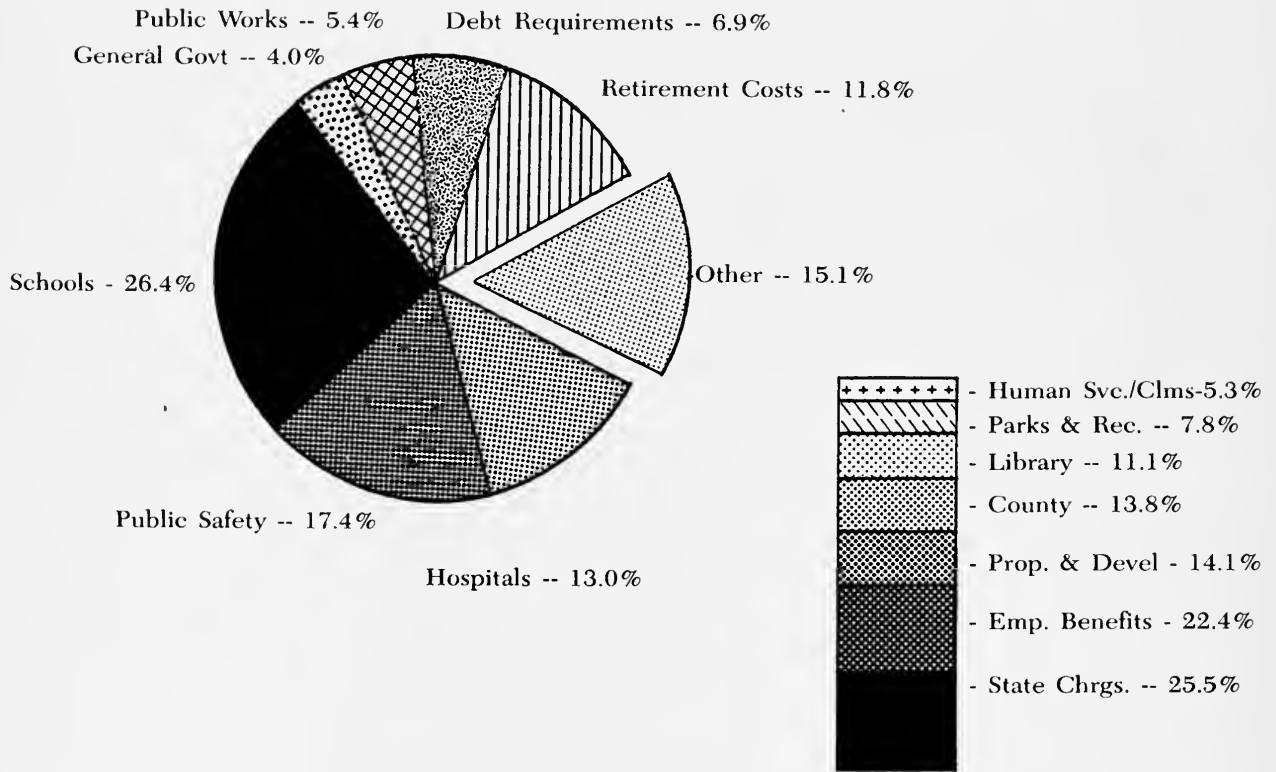


FY'88 vs FY87

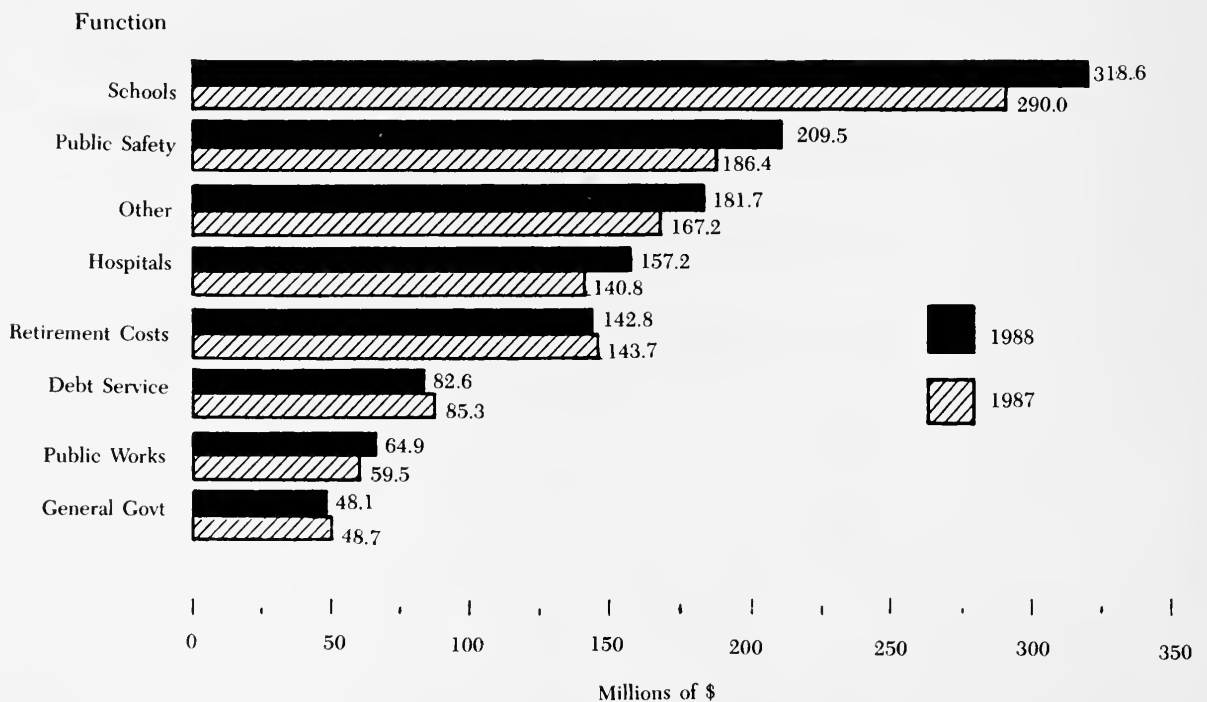


General Fund Expenditures

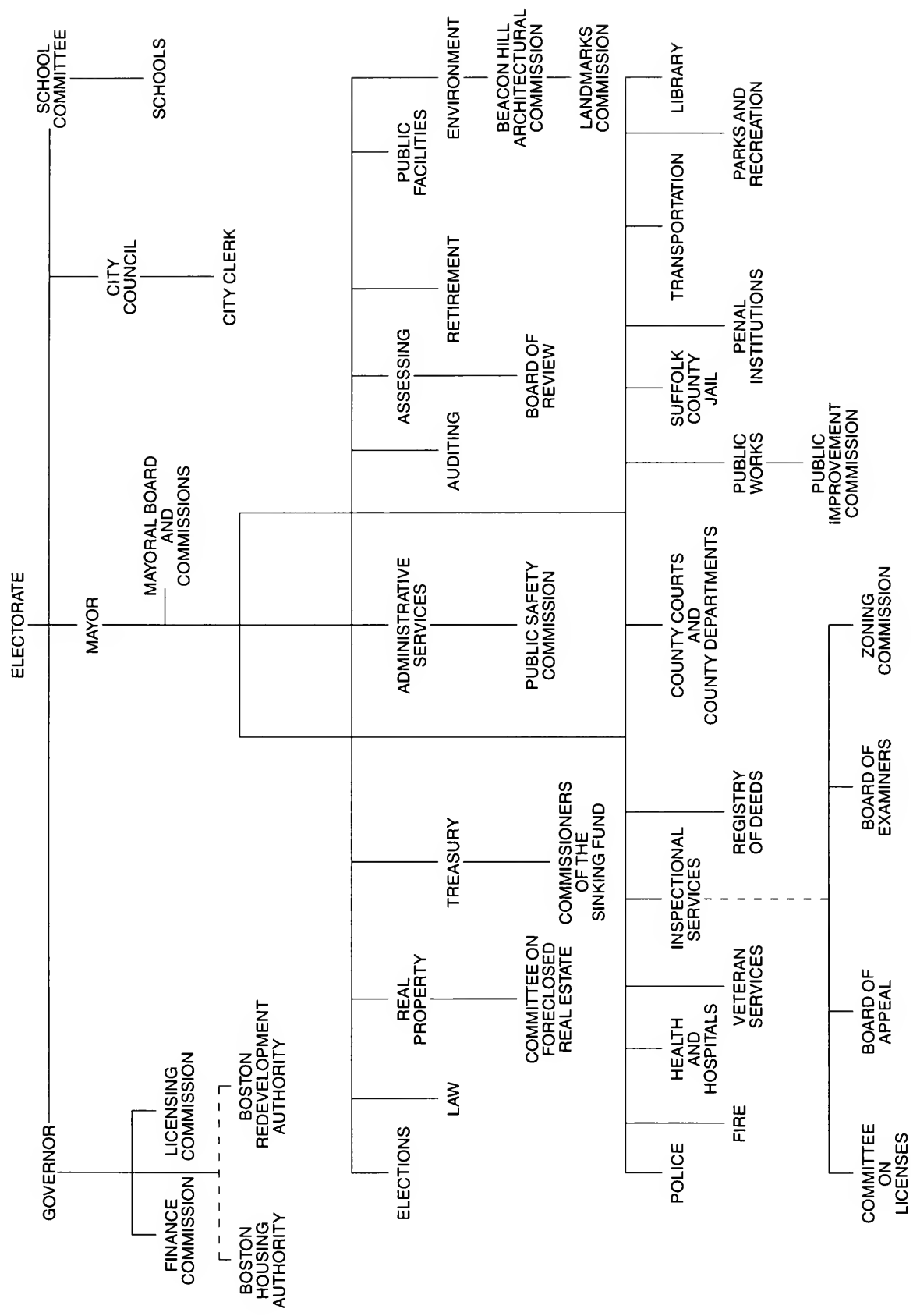
Year ended June 30, 1988



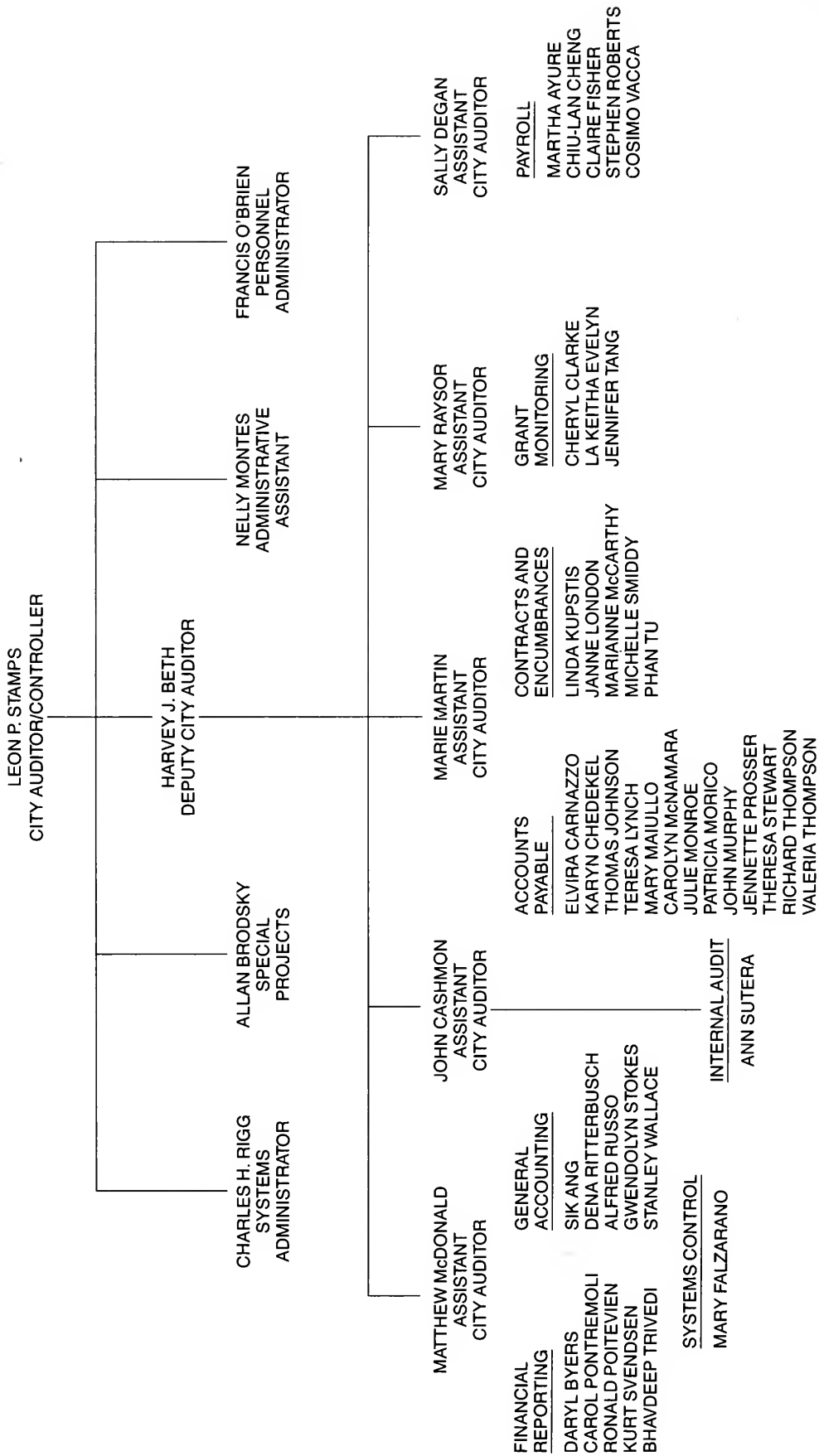
FY'88 vs FY87



ORGANIZATIONAL CHART
CITY OF BOSTON, MASSACHUSETTS



ORGANIZATIONAL CHART AUDITING DEPARTMENT





Raymond L. Flynn
Mayor



LEON P. STAMPS
City Auditor

LIST OF ELECTED OFFICIALS

Mayor

Raymond L. Flynn

City Council Members

| | |
|------------------------------------|------------|
| Christopher A. Iannella, President | At Large |
| Michael J. McCormack | At Large |
| Albert L. O'Neil | At Large |
| Rosaria Salerno | At Large |
| Robert E. Travaglini | District 1 |
| James M. Kelly | District 2 |
| James E. Byrne | District 3 |
| Charles C. Yancey | District 4 |
| Thomas M. Menino | District 5 |
| Maura A. Hennigan Casey | District 6 |
| Bruce C. Bolling | District 7 |
| David Scondras | District 8 |
| Brian J. McLaughlin | District 9 |

Superintendent of Schools

Dr. Laval S. Wilson

School Committee Members

| | |
|-----------------------|------------|
| John A. Nucci | At Large |
| Jean McGuire | At Large |
| John O'Bryant | At Large |
| Rita Walsh-Tomasini | At Large |
| Robert M. Cappucci | District 1 |
| Margaret Davis-Mullen | District 2 |
| Daniel R. Burke | District 3 |
| Gerald Anderson | District 4 |
| John P. Grady | District 5 |
| Thomas O'Reilly | District 6 |
| Juanita Wade | District 7 |
| Abigail M. Browne | District 8 |
| Rosina Bowman | District 9 |

FINANCIAL SECTION

This section is composed of the following:

External Auditor's Report

General Purpose Financial Section

Combining and Individual Fund Statements



KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

One Boston Place
Boston, MA 02108

Telephone 617 723 7700

Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS

*To the Honorable Mayor and City Council of the
City of Boston, Massachusetts:*

We have audited the general purpose financial statements of the City of Boston, Massachusetts, as of and for the year ended June 30, 1988, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities and accounts which aggregate the following percentages of total assets and revenues of the respective funds:

| | Percentage of | |
|---|---------------|----------------|
| | Total assets | Total revenues |
| Special Revenue Funds | 10 | 1 |
| Capital Projects Funds | 32 | 46 |
| Enterprise Funds | 21 | 19 |
| Trust and Agency Funds | 12 | 6 |
| General Long-Term Obligations Account Group | 1 | — |

These statements were audited by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for these entities and accounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the Standards for Audit of Governmental Organizations, Programs, Activities and Functions; issued by the U.S. General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The City and the Boston Redevelopment Authority have not maintained records of the cost of their general fixed assets and, therefore, a General Fixed Assets Account Group is not presented in the accompanying general purpose financial statements as required by generally accepted accounting principles.

In our opinion, based on our audit and the reports of other auditors and except that the omission of a general fixed asset group of accounts results in an incomplete presentation as described in the preceding paragraph, the general purpose financial statements present fairly, in all material respects, the financial position of the City of Boston, Massachusetts as of June 30, 1988, the results of its operations and changes in financial position of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.

Peat Marwick Main & Co.

December 16, 1988

CITY OF BOSTON, MASSACHUSETTS
Combined Balance Sheet - All Fund Types and Account Group
June 30, 1988
(with comparative amounts for the General Fund for 1987)
(in thousands)

| | Governmental Fund Types | | | | | | | | | | Total |
|--|-------------------------|------------|-----------------|--------------|------------------|------------------------|----------------------|---------------|-------------------|--|-------|
| | General | | Special Revenue | Debt Service | Capital Projects | Proprietary Fund Types | Fiduciary Fund Types | Account Group | (Memorandum Only) | | |
| | 1988 | 1987 | | | | | | | | | |
| Assets | | | | | | | | | | | |
| Cash and short-term investments (note 4) | \$ 268,776 | \$ 250,201 | \$ 15,444 | \$ 41,232 | \$ 83,538 | \$ 7,852 | \$152,487 | \$ — | \$569,329 | | |
| Other investments (note 4) | — | — | — | 74,214 | — | — | 723,030 | — | 797,244 | | |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | | | | | | | | | | |
| Property taxes | 5,816 | 13,615 | — | — | — | — | — | — | 5,816 | | |
| Motor vehicle excise taxes | 6,917 | 3,951 | — | — | — | — | — | — | 6,917 | | |
| Intergovernmental | 29,924 | 29,497 | 14,216 | — | 7,942 | 1,388 | 349 | — | 53,819 | | |
| Accounts (note 6) | 12,991 | 15,975 | 2,609 | — | 195 | 52,217 | 24,448 | — | 92,460 | | |
| Loans (note 7) | — | — | — | — | — | 16,981 | — | — | 16,981 | | |
| Notes (note 8) | — | — | — | — | 3,714 | — | 23,288 | — | 27,002 | | |
| Total receivables | 55,648 | 63,038 | 16,825 | — | 11,851 | 70,586 | 48,085 | — | 202,995 | | |
| Inventories (note 9) | — | — | — | — | — | 1,653 | — | — | 1,653 | | |
| Due from other funds | 1,321 | 38,859 | 49,985 | 2,929 | 2,574 | 61,364 | 6,609 | — | 124,782 | | |
| Other assets | — | — | 33 | — | 110 | 3,609 | — | — | 3,752 | | |
| Property, plant and equipment (net of accumulated depreciation) (note 11) | — | — | — | — | — | 88,932 | 191 | — | 89,123 | | |
| Amount available in debt service funds | — | — | — | — | — | — | — | 114,709 | 114,709 | | |
| Amounts to be provided for the retirement of general long-term obligations by (note 13): | | | | | | | | | | | |
| City of Boston | — | — | — | — | — | — | — | 922,107 | 922,107 | | |
| Commonwealth of Massachusetts | — | — | — | — | — | — | — | 80,598 | 80,598 | | |
| Boston Water and Sewer Commission | — | — | — | — | — | — | — | 3,255 | 3,255 | | |
| Boston Redevelopment Authority | — | — | — | — | — | — | — | 2,234 | 2,234 | | |
| Total assets | \$325,745 | \$352,098 | \$ 82,287 | \$118,375 | \$ 98,073 | \$233,996 | \$930,402 | \$1,122,903 | \$2,911,781 | | |

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS
Combined Balance Sheet — All Fund Types and Account Group (continued)
June 30, 1988
(with comparative amounts for the General Fund for 1987)
(in thousands)

| | Governmental Fund Types | | | | | | Proprietary Fund Types | Fiduciary Fund Types | Account Group | Total (Memorandum Only) 1988 |
|--|-------------------------|------------------|------------------|-------------------|------------------|------------------|------------------------|----------------------|---------------|------------------------------|
| | General | | Special Revenue | Debt Service | Capital Projects | Enterprise | | | | |
| | 1988 | 1987 | | | | | | | | |
| Liabilities | | | | | | | | | | |
| Warrants and accounts payable | \$ 45,604 | \$ 43,339 | \$ 16,826 | \$ — | \$ 9,201 | \$ 21,899 | \$ 17,815 | \$ — | | \$ 111,345 |
| Accrued liabilities: | | | | | | | | | | |
| Tax abatement refunds (note 16) | 94,832 | 174,994 | — | — | — | — | — | — | | 94,832 |
| Judgments and claims (note 15) | 50 | 36 | — | — | 2,115 | 2,581 | — | 740 | | 5,486 |
| Sick and vacation | — | — | — | — | — | 4,915 | — | 62,851 | | 67,766 |
| Retirement costs (note 12) - City | — | — | — | — | — | 50,643 | — | 473,461 | | 524,104 |
| - BRA | — | — | — | — | — | — | — | 718 | | 718 |
| Third-party payors of health care costs .. | — | — | — | — | — | 30,780 | — | — | | 30,780 |
| Other | 13,995 | 3,643 | 18,663 | — | 6,523 | 8,321 | 33,990 | — | | 81,492 |
| Intergovernmental | — | — | — | — | 113 | 4,629 | — | — | | 4,742 |
| Due to other funds | 51,285 | 64,888 | 3,682 | 169 | 3,655 | 458 | 6,518 | 58,139 | | 123,906 |
| Matured interest and bonds payable | — | — | — | 3,497 | — | — | — | — | | 3,497 |
| Obligations under capital leases (note 11) .. | — | — | — | — | — | 1,230 | — | — | | 1,230 |
| General obligation bonds and notes payable (note 13) | — | — | — | — | — | 18,881 | — | 526,994 | | 545,875 |
| Demand note payable | — | — | — | — | 169 | — | — | — | | 169 |
| Deferred revenue | — | — | 14,231 | — | 31 | 14,181 | — | — | | 28,443 |
| Total liabilities | 205,766 | 286,900 | 53,402 | 3,666 | 21,807 | 158,518 | 58,323 | 1,122,903 | | 1,624,385 |
| Fund Equity: | | | | | | | | | | |
| Proprietary fund equity | — | — | — | — | — | 75,478 | — | — | | 75,478 |
| Fund balances: | | | | | | | | | | |
| Reserved for: | | | | | | | | | | |
| Encumbrances and continuing appropriations | 48,53 | 64,366 | 42,688 | — | 84,588 | — | 5,106 | — | | 180,919 |
| Employees' retirement system | — | — | — | — | — | — | 789,383 | — | | 789,383 |
| Debt service | — | — | — | 114,709 | — | — | — | — | | 114,709 |
| Unreserved: | | | | | | | | | | |
| Undesignated | 71,442 | 832 | (13,803) | — | (8,322) | — | 77,590 | — | | 126,907 |
| Total fund equity | 119,979 | 65,198 | 28,885 | 114,709 | 76,266 | 75,478 | 872,079 | — | | 1,287,396 |
| Contingencies (note 15) | — | — | — | — | — | — | — | — | | — |
| Total liabilities and fund equity | \$325,745 | \$352,098 | \$ 82,287 | \$ 118,375 | \$ 98,073 | \$233,966 | \$930,402 | \$1,122,903 | | \$2,911,781 |

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS
Combined Statement of Revenues, Expenditures and Changes in Fund Equity —
All Governmental Fund Types and Expendable Trust Funds

June 30, 1988

(with comparative amounts for the General Fund for 1987)

| | General | | Special Revenue | Debt Service | Capital Projects | Fiduciary Fund Type | Total Memorandum Only) 1988 |
|--|-----------|-----------|--------------------|-----------------|---------------------|------------------------|--------------------------------------|
| | 1988 | 1987 | | | | | |
| Revenues: | | | | | | | |
| Local: | | | | | | | |
| Real and personal property taxes, net (note 16) | \$499,607 | \$357,558 | \$— | \$— | \$— | | \$499,607 |
| Excise taxes | 42,933 | 42,321 | — | 6,624 | — | | 49,557 |
| Payments in lieu of taxes | 45,969 | 41,110 | — | — | — | | 45,969 |
| Licenses and permits | 19,990 | 18,592 | — | — | — | | 19,990 |
| Fines | 40,559 | 36,878 | — | — | — | | 40,559 |
| Investment income | 22,870 | 20,215 | 994 | 2,849 | 1,504 | 2,491 | 30,708 |
| Departmental and other revenue | 42,253 | 33,621 | 20,228 | — | 28,812 | 2,874 | 94,167 |
| Total local revenues | 714,181 | 550,295 | 21,222 | 9,473 | 30,316 | 5,365 | 780,557 |
| Intergovernmental: | | | | | | | |
| Federal | — | — | 71,659 | — | 2,998 | — | 74,657 |
| Commonwealth of Massachusetts | 382,746 | 358,896 | 21,758 | — | 5,382 | — | 409,886 |
| Other | 5,819 | 5,522 | — | 1,273 | — | — | 7,092 |
| Total intergovernmental revenues | 388,565 | 364,418 | 93,417 | 1,273 | 8,380 | — | 491,635 |
| Total revenues | 1,102,746 | 914,713 | 114,639 | 10,746 | 38,696 | 5,365 | 1,272,192 |
| Expenditures: | | | | | | | |
| Current operations: | | | | | | | |
| General government | 43,752 | 38,805 | 303 | — | — | 523 | 44,578 |
| Public safety | 198,234 | 169,528 | 8,634 | — | — | — | 206,868 |
| Public works | 64,962 | 56,317 | 4,846 | — | — | 2,745 | 72,553 |
| Property and development | 21,890 | 19,140 | — | — | — | — | 21,890 |
| Library | 20,155 | 17,688 | 1,289 | — | — | 328 | 21,772 |
| Parks and recreation | 13,981 | 9,074 | 3,989 | — | — | 1,731 | 19,701 |
| Community development | — | — | 31,337 | — | — | — | 31,337 |
| Human services | 5,738 | 5,799 | 12,559 | — | — | 15 | 18,312 |
| Schools | 322,748 | 284,746 | 50,762 | — | — | 24 | 373,534 |
| County | 25,867 | 22,187 | — | — | — | — | 25,867 |
| Retirement costs (note 12) | 102,561 | 92,466 | 204 | — | 1,361 | — | 104,126 |
| Other employee benefits | 43,791 | 32,880 | — | — | — | — | 43,791 |
| Judgments and claims | 10,122 | 11,585 | — | — | — | — | 10,122 |
| State and district assessments | 46,868 | 45,213 | — | — | — | — | 46,868 |
| Miscellaneous | 2,100 | 3,534 | — | — | — | 280 | 2,380 |
| Capital outlays | 6,311 | 6,620 | 1,844 | — | 106,078 | — | 114,233 |
| Debt service | 4,879 | 3,402 | — | 85,737 | 47 | — | 90,663 |
| Total expenditures | 933,959 | 818,984 | 115,767 | 85,737 | 107,486 | 5,646 | 1,248,595 |
| Excess (deficiency) of revenues over expenditures | 168,787 | 95,729 | (1,128) | (74,991) | (68,790) | (281) | 23,597 |
| Other financing sources (uses): | | | | | | | |
| Proceeds of debt (note 13) | — | (72,391) | — | 84,090 | 23,590 | — | 23,590 |
| Operating transfers in (out), net (note 14) | (114,006) | — | (438) | — | (7,852) | 1,152 | (37,054) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 54,781 | 23,338 | (1,566) | 9,099 | (53,052) | 871 | 10,133 |
| Fund equity, beginning of year | 65,198 | 41,860 | 30,849 | 105,610 | 129,357 | 37,872 | 368,886 |
| Adjustment for change in fiscal year end of BRA (note 3) | — | — | (398) | — | (39) | — | (437) |
| Fund equity, end of year | \$119,979 | \$ 65,198 | \$ 28,885 | \$114,709 | \$ 76,266 | \$ 38,743 | \$378,582 |

CITY OF BOSTON, MASSACHUSETTS
Statement of Revenues and Expenditures — Budgetary Basis
June 30, 1988
(with comparative amounts for 1987)
(in thousands)

| | 1988 | | | | 1987 | |
|--|--------------------|-----------------|-----------|--|-----------|--------|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) | Actual | Actual |
| Revenues, transfers and available funds: | | | | | | |
| Real and personal property taxes, net | \$424,987 | \$424,987 | \$425,539 | \$ 552 | \$391,544 | |
| Excises | 43,770 | 43,770 | 39,968 | (3,802) | 39,541 | |
| Departmental and other revenue | 33,053 | 41,075 | 42,108 | 1,033 | 33,365 | |
| Health and hospitals | 145,750 | 145,750 | 147,290 | 1,540 | 142,749 | |
| Commonwealth of Massachusetts | 431,485 | 432,001 | 437,383 | 5,382 | 409,831 | |
| Payments in lieu of taxes | 16,806 | 17,278 | 17,699 | 421 | 17,467 | |
| Licenses and permits | 18,933 | 19,333 | 19,990 | 657 | 18,592 | |
| Investment income | 17,200 | 17,200 | 20,862 | 3,662 | 19,496 | |
| Fines | 36,512 | 38,536 | 40,559 | 2,023 | 36,809 | |
| Sale of property | 3,700 | 3,700 | 3,700 | — | — | |
| Transfer from other funds | 14,671 | 14,771 | 14,787 | 16 | 16,825 | |
| Other available funds | — | 13,425 | 13,425 | — | 19,965 | |
| Total revenues, transfers and other available funds | 1,186,867 | 1,211,826 | 1,223,310 | 11,484 | 1,146,184 | |
| Less: Prior year deficits | 11,066 | 11,066 | 11,066 | — | 15,113 | |
| Net revenue available for appropriation | 1,175,801 | 1,200,760 | 1,212,244 | 11,484 | 1,131,071 | |
| Expenditures and encumbrances: | | | | | | |
| General government | 44,289 | 50,685 | 48,085 | 2,600 | 48,715 | |
| Public safety | 199,974 | 209,998 | 209,543 | 455 | 186,416 | |
| Public works | 63,371 | 64,311 | 64,909 | (598) | 59,512 | |
| Property and development | 25,796 | 26,186 | 25,697 | 489 | 23,286 | |
| Library | 17,203 | 20,117 | 20,193 | (76) | 17,636 | |
| Parks and recreation | 13,182 | 14,307 | 14,233 | 74 | 10,827 | |
| Human services | 6,939 | 7,130 | 6,159 | 971 | 6,037 | |
| Schools | 311,600 | 311,600 | 318,578 | (6,978) | 290,020 | |
| Health and hospitals | 152,703 | 157,453 | 157,243 | 210 | 140,789 | |
| County | 24,324 | 24,984 | 25,079 | (95) | 22,156 | |
| Pension costs | 138,217 | 138,217 | 142,753 | (4,536) | 143,736 | |
| Other employee benefits | 42,114 | 41,924 | 40,718 | 1,206 | 37,368 | |
| Judgments and claims | 5,000 | 5,000 | 3,387 | 1,613 | 4,717 | |
| State and district assessments | 46,259 | 46,241 | 46,266 | (25) | 45,213 | |
| Debt requirements | 84,830 | 82,607 | 82,592 | 15 | 85,250 | |
| Total expenditures and encumbrances | 1,175,801 | 1,200,760 | 1,205,435 | (4,675) | 1,121,678 | |
| Excess of revenues, transfers and other available funds over expenditures and encumbrances (note 10) | \$— | \$— | \$ 6,809 | \$ 6,809 | \$ 9,393 | |

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS
Combined Statement of Revenues, Expenses and Changes
in Fund Equity - All Proprietary Fund Types and Similar Trust Funds
Year ended June 30, 1988

(with comparative amounts for Health and Hospitals for 1987)
(in thousands)

| | Proprietary Fund Types | | Fiduciary Fund Types | | Total (Memorandum Only) 1988 |
|---|------------------------------|--|----------------------|------------------------------|---------------------------------------|
| | Health and Hospitals 1988 | Trustees of Health and Hospitals 1987 | Pension Trusts | Non- Expendable Trusts | |
| Operating revenues: | | | | | |
| Gross patient service revenue | \$ 209,574 | \$ 168,964 | — | — | \$ 209,574 |
| Adjustments to patient service revenue: | | | | | |
| Contractual adjustments (note 15) | 3,586 | 40,417 | — | — | 3,586 |
| Provision for uncollectible amounts, free care and service provided to City Employees | (81,791) | (50,382) | — | — | (81,791) |
| Total adjustments to patient service revenue | (78,205) | (9,965) | — | — | (78,205) |
| Net patient service revenue | 131,369 | 158,999 | — | — | 131,369 |
| Investment income | — | — | 39,082 | 4,916 | 45,227 |
| Net (depreciation) in fair value of investments | — | — | (43,112) | — | (43,112) |
| Contributions and donations | — | — | 172,391 | 653 | 173,044 |
| Programs | — | 25,794 | — | — | 25,794 |
| Rental income | — | — | — | — | 4,520 |
| Intergovernmental | — | — | 12,981 | — | 14,028 |
| Miscellaneous | 6,664 | 5,364 | 21 | 23 | 7,376 |
| Total operating revenues | 138,033 | 164,363 | 181,363 | 5,592 | 358,246 |
| Operating expenses: | | | | | |
| Salaries, wages and fringe benefits | 95,121 | 82,561 | 981 | — | 99,131 |
| Professional fees | 16,128 | 13,863 | 1,942 | — | 19,031 |
| Retirement costs | 14,233 | 13,158 | — | — | 14,233 |
| Materials and supplies | 13,034 | 11,398 | 138 | — | 13,218 |
| Administrative and general | 16,953 | 16,418 | 160 | 2 | 21,146 |
| Depreciation | 5,647 | 5,653 | — | — | 7,145 |
| Interest | 2,957 | 2,689 | — | — | 4,675 |
| Scholarships and awards | — | — | — | 7 | 7 |
| Libraries | — | — | — | 543 | 543 |
| Benefits paid | — | — | 141,033 | — | 141,033 |
| Member refunds, and transfers and reimbursements to other systems, net | — | — | 13,572 | — | 13,572 |
| Subsidies for community services, special programs and real estate operations | — | — | — | — | — |
| Total operating expenses | 17,671 | 15,764 | — | — | 41,899 |
| Operating income (loss) | 181,744 | 161,504 | 157,826 | 552 | 375,633 |
| Operating transfers in (out), net (note 14) | (43,711) | 2,859 | 23,537 | 5,040 | (17,387) |
| Net income (loss) | 43,266 | (4,454) | — | (2,144) | 41,614 |
| Fund equity, beginning of year | (445) | (1,595) | 23,537 | 2,896 | 24,227 |
| Fund equity, end of year | 72,318 | 73,913 | 765,846 | 41,057 | 884,587 |
| | \$ 71,873 | \$ 72,318 | \$ 789,383 | \$ 43,953 | \$ 908,814 |

See accompanying notes to general purpose financial statements.

Combined Statement of Changes in Financial Position
All Proprietary Fund Types and Similar Trust Funds
Year ended June 30, 1988
(with comparative amounts for Health and Hospitals for 1987)
(in thousands)

| | Proprietary Fund Types | | | Fiduciary Fund Types | | Total (Memorandum Only) 1988 |
|--|------------------------------|------------------------------|--|----------------------|------------------------------|---------------------------------------|
| | Health and Hospitals 1988 | Health and Hospitals 1987 | Trustees of Health and Hospitals | Pension Trusts | Non- Expendable Trusts | |
| Sources of working capital: | | | | | | |
| Operations: | | | | | | |
| Net income (loss) | \$ (445) | \$ (1,595) | \$ 329 | \$ (2,090) | \$ 2,896 | \$ 24,227 |
| Items not requiring funds: | | | | | | |
| Depreciation | 5,647 | 5,653 | 81 | 1,416 | — | 7,144 |
| Loss on sale of investments and other | 640 | 729 | — | — | 26,426 | 27,066 |
| Funds provided (used) by operations | 5,842 | 4,787 | 410 | (674) | 2,896 | 58,437 |
| Sale of investments | — | — | — | — | 829 | 829 |
| Increase in accrued retirement costs | 3,370 | 1,353 | — | — | — | 3,370 |
| Decrease in other assets | — | — | — | 1,673 | — | 1,673 |
| Increase in other liabilities | — | — | — | 263 | — | 263 |
| Total sources of funds | 9,212 | 6,140 | 410 | 1,262 | 3,725 | 64,572 |
| Uses of working capital: | | | | | | |
| Acquisitions of property, plant and equipment | 5,291 | 2,900 | 14 | 2,368 | — | 7,673 |
| Purchase of investments | — | — | — | — | 2,610 | 2,610 |
| Decrease (increase) in long-term obligations, net | (411) | 1,509 | — | 131 | — | (280) |
| Increase in long-term portion of due from other funds | 3,388 | 1,266 | — | — | — | 3,388 |
| Other | (18) | 87 | — | — | — | (18) |
| Total uses of working capital | 8,250 | 5,762 | 14 | 2,499 | 2,610 | 13,373 |
| Increase (decrease) in working capital | 962 | 378 | 396 | (1,237) | 1,115 | 51,199 |
| Elements of net increase (decrease) in working capital: | | | | | | |
| Cash and short-term investments | 171 | 586 | (2,547) | (465) | 972 | (417) |
| Other investments | — | — | — | — | — | 76,129 |
| Intergovernmental | — | — | — | 318 | — | (35,256) |
| Accounts receivable | 9,549 | 656 | 3,722 | (185) | — | 21,008 |
| Current portion of loans receivable | — | — | — | (9) | — | (9) |
| Current portion of due from other funds | 1,631 | (16,874) | — | — | (302) | 1,472 |
| Inventories | 185 | (35) | — | — | — | 185 |
| Other current assets | — | — | 80 | (852) | — | (772) |
| Warrants and accounts payable | (4,556) | (5,951) | (293) | (375) | — | (4,308) |
| Due to third-party payors | (7,142) | 18,925 | — | — | 916 | (7,142) |
| Accrued liabilities | 163 | (487) | (73) | 110 | — | 200 |
| Intergovernmental payable | — | — | (541) | (35) | — | (576) |
| Due to other funds | — | 3,179 | 18 | 72 | — | (490) |
| Current portion of lease obligations | 961 | 379 | 30 | 184 | — | 1,175 |
| Increase (decrease) in working capital | \$ 962 | \$ 378 | \$ 396 | \$ (1,237) | \$ 1,115 | \$ 51,199 |

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

(1) Financial Statement Presentation

Reporting Entity

The accompanying general purpose financial statements include all funds and the Long-Term Obligations Account Group of the City of Boston, Massachusetts and the County of Suffolk (the "City"). Also included are the funds and account group of other organizational entities (component units), which are includable in the City's financial reporting entity in accordance with generally accepted accounting principles except for the Boston Industrial Development Finance Authority which is immaterial to the financial statements. The City is the entity that exercises oversight responsibility over the component units. The criteria for inclusion of component units in the oversight entity's general purpose financial statements are selection of governing authority, designation of management, ability to significantly influence operations, accountability over fiscal matters and scope of public service. The inclusion of component units in the City's general purpose financial statements does not affect their separate legal standing. Additional information on the component units is provided in note 3.

Fund Accounting

Transactions are recorded in the funds and account group described below. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Transactions between funds within a fund type, if any, have been eliminated. The funds and Account Group are organized into four categories as follows:

Governmental Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is on determination of changes in financial position, rather than on net income. The governmental fund types are as follows:

General Fund - This fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than debt service, expendable trusts or capital projects) that are legally restricted to expenditures for specified purposes. General funds of component units are included with Special Revenue Funds.

Debt Service Funds - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

Proprietary Fund Types

These funds are used to account for activities operated in a manner similar to a private business enterprise or where periodic determination of revenues, expenses and net income is needed. For financial reporting purposes, the City's Department of Health and Hospitals (DHH) is included in such activities. Also, the Trustees of Health and Hospitals of the City of Boston, Inc. (THH) and the Economic Development and Industrial Corporation of Boston (EDIC) are classified as Enterprise funds.

Fiduciary Fund Types

Fiduciary Funds are used to account for assets held in a trustee capacity (Trust Funds) or as an agent (Agency Funds) for individuals, private organizations, other governmental units, and/or other funds. Trust funds include Expendable Trust Funds, Nonexpendable Trust Funds and Pension Trust Funds.

Account Group

The General Long-Term Obligations Account Group is used to establish control and accountability for general long-term obligations, except those obligations which are financed by and accounted for in Enterprise Funds.

(2) Summary of Significant Accounting Policies

The general purpose financial statements are prepared in accordance with generally accepted accounting principles (GAAP), except that the City and the Boston Redevelopment Authority (BRA) do not maintain records of their general fixed assets. Accordingly, a General Fixed Assets Account Group is not presented. The accounting policies followed in preparing the accompanying general purpose financial statements are as follows:

Basis of Accounting

Governmental Fund Types, Expendable Trust funds and Agency funds follow the modified accrual basis of accounting. Revenues are recorded in the accounting period that they become both measurable and available. Available means that they are expected to be collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. In applying this principle, the City accrues as revenue the amount of property taxes due to the City prior to year-end and collected within 60 days after the end of its fiscal year; all other revenues, except revenue from expenditure driven grants, and investment income which is accrued as earned, are recorded when cash is received.

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

Expenditures, other than (a) interest on long-term debt, (b) accumulated sick and vacation leave, (c) judgments and claims and (d) retirement costs, are recorded in the accounting period that the liability is incurred. Interest on long-term debt is recorded when due. Expenditures for sick and vacation leave, retirement costs, and judgments and claims are recorded in the Governmental Funds to the extent they are expected to be paid from expendable available resources; the balance of these liabilities is recorded in the General Long-Term Obligations Account Group.

Revenues for expenditure driven grants, where monies must be expended for the specific purpose or project before any amounts are earned, are recognized when expenditures are recorded.

Enterprise Funds, Pension Trust Funds and Nonexpendable Trust Funds are accounted for on the accrual basis of accounting.

Pooled Funds

The City follows the practice of pooling cash and short-term investments of the General Fund and certain Special Revenue Funds. All interest earned on pooled cash is allocated to the General Fund.

Inventories

Inventories of the Enterprise Funds are stated at the lower of cost, derived by use of the first-in, first-out valuation method, or market. Inventory purchases of governmental funds are recorded as expenditures.

Property, Plant and Equipment

Property, plant and equipment of the Enterprise Funds is carried at historical cost and depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements 5-25 years

Buildings and leasehold improvements 15-40 years

Equipment 4-25 years

Interest on general obligation debt incurred by the City on behalf of the Health and Hospitals Enterprise Fund is capitalized during the period of construction of major projects. Such capitalized interest amounted to \$100,261 in 1988.

Purchases of property, plant and equipment of governmental funds are recorded as expenditures.

Accrued Sick and Vacation

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then current rates of pay. The cost of vacation and sick leave for employees of Proprietary Fund Types is recorded as earned. For employees of other funds, the liability related to unused sick and vacation time is recorded in the General Long-Term Obligations Account Group. The amount recorded is the unused days earned at the current rate of pay.

Encumbrances and Continuing Appropriations

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Fund Types as a significant aspect of budgetary control.

Unencumbered appropriations which are carried over to the ensuing fiscal year are reported as "continuing appropriations." Continuing appropriations represent amounts appropriated for specific programs or projects which were not completed during the fiscal year.

Encumbrances and continuing appropriations are reported as reservations of fund balances in the accompanying balance sheet because they do not constitute expenditures or liabilities. Encumbrances and continuing appropriations are combined with expenditures for budgetary comparison purposes (see note 10).

Subsidy to the Department of Health and Hospitals

Operating transfers for subsidies provided by the City's General Fund to the Department of Health and Hospitals (DHH) are based upon the modified accrual basis of accounting. The subsidy recorded by DHH is based on the full accrual basis except for property, plant and equipment and capital leases, which are accounted for on the modified accrual basis. The difference in the amounts of the subsidies is recorded in the General Long-Term Obligations Account Group.

The City does not allocate all internal service costs to the DHH. To a lesser extent, DHH provides certain administrative services to other City departments and hospital services to employees of the City without billing for such services.

Patient Service Revenues

Patient service revenues are recorded at DHH's established rates with contractual and free care allowances and the provision for uncollectible accounts deducted to arrive at net patient service revenue.

Third-Party Reimbursement

Amounts receivable under cost reimbursement agreements of DHH are subject to examination and retroactive adjustments by third-party payors. Provisions for estimated retroactive adjustments under these agreements are provided in the period in which the related services are rendered.

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

Effective October 1, 1982, the Massachusetts charge control legislation Chapter 372 was enacted to govern the establishment of acute hospital charges and rates of payment. Chapter 372 established a prospective payment system for substantially all payors and adopted the Blue Cross basis of payment as the basis for determining the approved level of gross patient services revenue and Medicaid and Medicare rates of payment. Effective October 1, 1985, the payment system established pursuant to the Chapter 372 legislation was amended for a two-year period by Chapter 574 legislation. The two principal modifications were the exclusion of Medicare reimbursement from the Massachusetts system and the establishment of an uncompensated care pool to uniformly fund free care and bad debts incurred by hospitals. On April 21, 1988, retroactive to October 1, 1987, the Massachusetts legislature enacted Chapter 23 to govern acute hospital charges through September 30, 1991. The system established under Chapter 23 continues the methodology established under Chapters 372 and 574 with some modifications including a discontinuance of the productivity factors which reduced hospital payments under Chapters 372 and 574; greater incentives for changes in volume and case mix and a rebasing of the 1987 inpatient volume allowance; and the establishment of a statewide cap on the amount of uncompensated care costs that can be recovered through hospital charges.

Under hospital agreements HA-30 and HA-31 Blue Cross pays Boston City Hospital ("Hospital") a proportionate share of the substantially fixed Maximum Allowable Cost (MAC). The MAC is based upon the Hospital's 1982 reimbursement year patient care costs with annual adjustments for inflation, changes in volume and a technology and new program allowance, and with certain items, principally depreciation, interest and malpractice insurance, reimbursed on a cost basis outside the MAC. The current agreement, HA-31, expires on September 30, 1991. In 1987, the Blue Cross basis of payment was reduced by a 6% productivity factor as mandated by Chapters 372 and 574. This reduced basis of payment served as the base for determining the 1988 Blue Cross basis of payment.

Under Chapters 372 and 574, Medicaid reimbursement is based upon Medicaid's proportionate share of the Blue Cross MAC basis of payment increased by a fixed premium to maintain Medicaid's premium at the 1982 level. In 1987, the basis of payment for Medicaid was reduced by an 8% productivity factor as mandated by Chapters 372 and 574. Under Chapter 23, Medicaid reimbursement in 1988 is based upon approved charges plus a premium which reflects the 1987 relationship of Medicaid reimbursement and approved charges. In addition, under Chapter 23 Medicaid reimbursement is subject to a federally imposed "upper limit" test which specifies that payments for Medicaid services on a statewide basis cannot exceed what the payments would have been had Medicare principles of reimbursement been used. Management's current estimate of the Hospital's share of the statewide inpatient care excess is \$16,000,000 which has been accrued for in the 1988 general purpose financial statements.

Effective October 1, 1985, the Hospital is reimbursed for Medicare patients under the Prospective Payment System, the national Medicare system whereby hospitals are paid a standard amount based upon the patient's diagnosis.

Under Chapter 23 and Chapters 372/574, gross patient services revenue is limited to a maximum level based upon the Blue Cross basis of payment. Any revenue generated in excess of the approved level in one year results in a reduction of approved gross patient services revenue in the succeeding year.

DHH is reimbursed for services during the year at interim rates by Blue Cross, Medicaid and Medicare with differences between DHH charges and estimated final reimbursement recorded as contractual adjustments.

Total (Memorandum Only) Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are presented to aggregate financial data of the fund types and account group. No consolidating or other eliminations were made in arriving at the totals; thus, they do not present consolidated information.

(3) Component Units

Component units (as defined in note 1) are separate legal entities. Although not operating departments of the City, financial statements for component units have been blended with the City's general purpose financial statements. Transactions between funds within a fund type, if any, have been eliminated. The powers of a component unit are generally vested in its governing board. Descriptions of the component units follow:

State-Boston Retirement System "SBRS"

The SBRS is a defined benefit contributory retirement plan covering employees of the City of Boston, Boston Housing Authority, BRA, and Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

Boston Redevelopment Authority "BRA"

The BRA administers urban development projects and is the City's general planning agency. A majority of the board members are appointed by the Mayor. The geographical limits are the same as those of the City and the City has residual interest in the net assets.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA in both

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

the 1988 and 1987 general purpose financial statements. In addition, the interfund receivable and payable balances in the accompanying combined balance sheet do not agree because of the difference in year-end.

Trustees of Health and Hospitals of the City of Boston, Inc. "THH"

The THH is responsible for the financial administration of grant and trust funds for medical research and community health plans. The Mayor appoints all members of the Board of Directors and designates the Chairman and Vice-Chairman. THH provides an essential service which otherwise would be provided by the City.

Economic Development and Industrial Corporation of Boston "EDIC"

EDIC is a quasi-public agency of the City of Boston whose primary purposes are to acquire and improve property, either through purchase or eminent domain, for economic development within the City and to construct economic development projects for lease or sale to industrial occupants. The Mayor appoints members of the board and approves EDIC's designation of areas of the City as economic development areas. The City finances a portion of annual operations and provides resources for development activities.

All of the financial data of component units were derived from audited financial statements as of June 30, 1988 (except BRA which is as of June 30, 1987), and are included in the general purpose financial statements as follows:

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

| | Special Revenue Funds | | Capital Projects Funds | | Enterprise Funds | | Trust and Agency Funds | | | General Long-Term Obligations |
|--|-----------------------|--|------------------------|----------------|------------------|-----------|------------------------|-----------|-----------|-------------------------------|
| | BRA | | BRA | (in thousands) | THH | EDIC | SBRs and BRS | THH | BRA | BRA |
| Cash and short-term investments | \$ 5,379 | | \$ 21,118 | | \$ 2,802 | \$ 1,221 | \$ 115,837 | \$ 4,536 | \$ 3,353 | \$ — |
| Other investments | — | | — | | — | — | 624,490 | 8,552 | — | — |
| Receivables: | | | | | | | | | | |
| Intergovernmental | 688 | | 6,274 | | — | 1,388 | 139 | — | 210 | — |
| Accounts | — | | 163 | | 7,519 | 460 | 22,552 | — | — | — |
| Loans | — | | — | | — | 16,981 | — | — | — | — |
| Note | — | | 3,714 | | — | — | — | — | 22,961 | — |
| Total receivables | 688 | | 10,151 | | 7,519 | 18,829 | 22,691 | — | 23,171 | — |
| Other assets | 33 | | 110 | | 80 | 3,529 | — | — | — | — |
| Due from other funds | 2,320 | | — | | — | — | 5,701 | 699 | — | — |
| Property, plant and equipment, net | — | | — | | 156 | 15,802 | — | — | — | — |
| Amounts to be provided for the retirement of long-term obligations | — | | — | | — | — | — | — | — | 2,234 |
| Total assets | \$ 8,420 | | \$ 31,379 | | \$ 10,557 | \$ 39,381 | \$ 768,719 | \$ 13,787 | \$ 26,524 | \$ 2,234 |
| Liabilities | | | | | | | | | | |
| Warrants and accounts payable | 2,457 | | — | | 1,082 | 2,120 | 17,815 | — | — | — |
| Accrued liabilities: | | | | | | | | | | |
| Judgments and claims | — | | 2,115 | | — | — | — | — | — | — |
| Sick and vacation | — | | — | | — | — | — | — | — | 1,516 |
| Retirement costs | — | | — | | — | — | — | — | — | 718 |
| Other | 2,753 | | 6,523 | | 790 | 1,204 | — | — | 25,152 | — |
| Intergovernmental | — | | — | | 4,595 | 35 | — | — | — | — |
| Due to other funds | — | | 2,109 | | 2,914 | 404 | 580 | — | 1,372 | — |
| Obligations under capital leases | — | | — | | — | 127 | — | — | — | — |
| General obligation bonds and notes payable | — | | — | | — | 18,881 | — | — | — | — |
| Deferred revenue | — | | — | | — | 14,181 | — | — | — | — |
| Total liabilities | 5,210 | | 10,747 | | 9,381 | 36,952 | 18,395 | — | 26,524 | 2,234 |
| Fund Equity | | | | | | | | | | |
| Proprietary fund equity | — | | — | | 1,176 | 2,429 | — | — | — | — |
| Reserved for employees' retirement system | — | | — | | — | — | 750,324 | — | — | — |
| Unreserved: | | | | | | | | | | |
| Undesignated | 3,210 | | 20,632 | | — | — | — | 13,787 | — | — |
| Total fund equity | 3,210 | | 20,632 | | 1,176 | 2,429 | 750,324 | 13,787 | — | — |
| Total liabilities and fund equity | \$ 8,420 | | \$ 31,379 | | \$ 10,557 | \$ 39,381 | \$ 768,719 | \$ 13,787 | \$ 26,524 | \$ 2,234 |

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

| | Special Revenue Funds BRA | Capital Projects Fund BRA | Fiduciary Types Fund | |
|--|------------------------------------|------------------------------------|-----------------------------------|----------------------------|
| | | | Pension Trusts SBRs and BRs | Expendable Trust THH |
| | (in thousands) | | | |
| Revenues: | | | | |
| Investment income | \$ 307 | \$ 1,504 | \$ 36,696 | \$ 913 |
| Departmental and other revenue | 1,318 | 13,348 | 21 | — |
| Intergovernmental | 60 | 2,998 | 12,981 | — |
| Net (depreciation) in fair market value of investments | — | — | (43,112) | — |
| Contributions | — | — | 172,300 | — |
| Total revenues | 1,685 | 17,850 | 178,886 | 913 |
| Expenditures: | | | | |
| Community development | 2,404 | — | — | — |
| Retirement costs | 204 | 1,361 | — | — |
| Capital outlays | — | 18,995 | — | — |
| Total expenditures | 2,608 | 20,356 | — | — |
| Expenses: | | | | |
| Salaries, wages and fringe benefits | — | — | 981 | — |
| Professional fees | — | — | 1,942 | — |
| Materials and supplies | — | — | 138 | — |
| Administrative and general | — | — | 73 | — |
| Benefits paid | — | — | 141,033 | — |
| Members refunds and transfers and reimbursements to other systems, net | — | — | 13,572 | — |
| Total expenses | 2,608 | 20,356 | 157,739 | — |
| Excess (deficiency) of revenues over expenditures and expenses | (923) | (2,506) | 21,147 | 913 |
| Other financing sources (uses) | 1,321 | 2,545 | — | (492) |
| Excess of revenues and other financing sources over expenditures, expenses, and other financing uses | 398 | 39 | 21,147 | 421 |
| Fund equity, beginning of year | 2,812 | 20,593 | 729,177 | 13,366 |
| Fund equity, end of year | \$ 3,210 | \$ 20,632 | \$ 750,324 | \$ 13,787 |

(4) Deposits and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels without collateralization by the financial institution involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. Government or Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by the U.S. Government or Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase and units in the Massachusetts Municipal Depository Trust ("MMDT").

In addition, the City's Pension Trust Fund has additional investment powers, most notably the ability to invest in common stocks, corporate bonds and other specified investments.

Deposits

The following summary presents the amount of City deposits which are fully insured or collateralized with securities held by the City or its agent in the City's name (Category 1), those deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name (Category 2) and those deposits which are not collateralized (Category 3) at June 30, 1988.

| | Bank Balances | | | Total | |
|-------------------------|----------------|-------|---------|---------|----------|
| | Category | | | Bank | Carrying |
| | 1 | 2 | 3 | Balance | Amount |
| | (in thousands) | | | | |
| Cash | \$ 57,732 | — | 81,535 | 139,267 | 136,166 |
| Certificates of Deposit | 52,707 | 1,559 | 76,234 | 130,500 | 130,500 |
| Money market | 300 | — | 114,974 | 115,274 | 115,274 |
| Total | \$ 110,739 | 1,559 | 272,743 | 385,041 | 381,940 |

CITY OF BOSTON, MASSACHUSETTS
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Investments

The City categorizes investments according to the level of risk assumed by the City. Category 1 includes investments that are insured, registered or held by the City's agent in the City's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments held by the counterparty, its trust department or its agent, but not in the City's name. Investments in MMDT, a pooled fund, are not categorized.

| | Category | | | Not Categorized | Carrying Amount | Estimated Market Value |
|--|------------------|----------------|----------------|--------------------|--------------------|------------------------------|
| | 1 | 2 | 3 | | | |
| | (in thousands) | | | | | |
| Equity securities | — | 340,729 | 23,768 | — | 364,497 | 368,721 |
| U.S. Government obligations | 40,232 | 115,406 | 45,555 | — | 201,193 | 173,517 |
| Debt securities | 50 | 112,951 | 21,518 | — | 134,519 | 134,679 |
| U.S. Government agency obligations | 100 | 616 | 57,325 | — | 58,041 | 58,062 |
| Repurchase agreements | — | 41,298 | 2,360 | — | 43,658 | 43,658 |
| Money market | — | 46,519 | 3,763 | — | 50,282 | 50,312 |
| MMDT | — | — | — | 110,358 | 110,358 | 110,358 |
| Other investments | — | 16,821 | 5,264 | — | 22,085 | 22,085 |
| | <u>\$ 40,382</u> | <u>674,340</u> | <u>159,553</u> | <u>110,358</u> | <u>984,633</u> | <u>961,392</u> |

Of the investments reflected in the preceding table, investments of the City's Pension Fund are 92.6% of the amount in Category 2.

Deposits and investments are classified as follows in the accompanying balance sheet at June 30, 1988 (in thousands):

| | Cash and Short-Term Investments | Other Investments | Total |
|-------------------|---------------------------------------|----------------------|--------------------|
| Deposits | \$381,940 | \$ — | \$ 381,940 |
| Investments | 187,389 | 797,244 | 984,633 |
| Totals | <u>\$569,329</u> | <u>\$ 797,244</u> | <u>\$1,366,573</u> |

The composition of the City's bank recorded deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and Federal aid, and capital outlays throughout the year.

(5) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent November 1 and May 1. By law, all taxable property in the Commonwealth must be assessed at 100% of fair cash value. Taxes due and unpaid after the respective due dates are subject to interest and penalties. The City has an ultimate right to foreclose on property for which taxes have not been paid. Property taxes levied are recorded as receivables, net of estimated uncollectibles, in the fiscal year of the levy. Property tax revenues are recorded in accordance with the modified accrual basis of accounting described in note 2.

A statewide tax limitation statute known as "Proposition 2-1/2" limits the property tax levy to an amount equal to 2-1/2% of the value of all taxable property in the City. A secondary limitation is that no levy in a fiscal year may exceed the preceding year's allowable tax levy by more than 2-1/2%, plus taxes levied on certain property newly added to the tax rolls. Certain Proposition 2-1/2 taxing limitations can be overridden by a City-wide referendum vote.

(6) Accounts Receivable

Accounts receivable in the Enterprise Funds as of June 30, 1988 consisted of the following:

| | (in thousands) |
|--|-----------------|
| DHH: | |
| Patient accounts receivable | \$88,387 |
| Other | 1,245 |
| | 89,632 |
| Less allowance for uncollectible amounts | 45,394 |
| | 44,238 |
| THH | 7,519 |
| EDIC | 460 |
| Total | <u>\$52,217</u> |

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(7) Loans Receivable - EDIC

At June 30, 1988, loans receivable consisted of the following:

| | Loan balance (in thousands) |
|---|--------------------------------|
| Boston Harbor Partners Limited Partnership/DLJ Hoffman, Inc. - 9% mortgage note due in September, 2014 with equal quarterly installments of principal and interest of \$281,055 | \$ 11,300 |
| Seven Corporation - 8% UDAG loan due in October, 2000 with equal monthly installments of principal and interest of \$15,464 | 1,518 |
| Nimrod Press, Inc. - 6.5% UDAG loan due in November, 2011 with equal monthly installments of principal totalling \$555 plus interest | 163 |
| Agril-Mark, Inc./H.P. Hood, Inc. - 3% UDAG loan due in March, 2010 with equal quarterly installments of principal totalling \$40,000 plus interest beginning in year 8 (interest on years 1-7 deferred until the due date) and a balloon payment of principal totalling \$1,120,000 plus interest on the due date | 4,000 |
| Total | <u>\$16,981</u> |

(8) Notes Receivable

Loans receivable in the Trust and Agency Funds are comprised of funds advanced to developers from the BRA under various UDAG and housing initiative agreements. The liabilities to the funding sources are reflected in other accrued liabilities. In fiscal year 1987, the BRA adopted the practice of reflecting both the asset and liability on the balance sheet. Accordingly, the balances in both accounts, aggregating \$20,208,271 as of July 1, 1986, have been included in the current year activity.

Notes receivable amounting to \$3,713,800 in the Capital Project Funds represent a promissory note from a developer due to the BRA. The note bears interest at a rate approximating the yield on thirty-year Treasury Bonds. A corresponding amount has been recorded as other accrued liabilities.

(9) Inventories

DHH's inventories in the Enterprise Funds as of June 30, 1988 consisted of the following:

| | (in thousands) |
|-------------------------------------|-----------------|
| Medical and surgical supplies | \$ 535 |
| Drugs and pharmaceuticals | 793 |
| Other | 325 |
| Total | <u>\$ 1,653</u> |

(10) Budgetary Data

The City must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 (note 5). The tax levy must equal the sum of (a) the aggregate of all annual appropriations for expenditures, plus (b) provision for the prior fiscal year's deficits, if any, less (c) the aggregate of all non-property tax revenues projected to be received by the City, including available funds, in amounts certified or approved by the Commonwealth of Massachusetts for tax rate purposes.

Proposed budgetary General Fund expenditure appropriations for all departments and operations of the City and Suffolk County, are prepared under the direction of the Mayor. The Mayor may submit to the City Council supplementary appropriation orders as are deemed necessary. The City Council may reduce or reject any item in budgets submitted by the Mayor but may not increase or add items without the recommendation of the Mayor. Supplemental appropriations for the year ended June 30, 1988, after the setting of the tax rate, were \$25.0 million and are included in the final budget column of the budgetary basis financial statement (see page 6).

The City budget as presented in the Statement of Revenues and Expenditures - Budgetary Basis was developed as follows:

| | (in thousands) |
|---|---------------------|
| Budgeted expenditures: | |
| Operations | \$1,200,760 |
| Prior year deficits | 11,066 |
| Total budgeted expenditures and prior year deficits | <u>\$ 1,211,826</u> |
| To be funded as follows: | |
| Budgeted revenue | \$1,183,630 |
| Budgeted transfers from other funds | 14,771 |
| Available surplus | 13,425 |
| Total funding | <u>\$1,211,826</u> |

The City's General Fund budget is prepared on a basis other than generally accepted accounting principles ("GAAP"). The "actual" results column of the Statement of Revenues and Expenditures-Budgetary Basis is presented on a "budget basis" to provide a meaningful comparison with the budget. The major differences between the budget and GAAP bases are that:

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- (a) Real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP);
- (b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP);
- (c) Certain activities and transactions are presented in separate funds (GAAP) rather than as components of the General Fund (budget);
- (d) Amounts raised for prior years deficit are recorded as reductions of revenue on a budget basis, but have no effect on GAAP revenues;
- (e) Available funds from prior years' surpluses are recorded as revenues on a budget basis but have no effect on GAAP revenues;
- (f) The subsidy to the DHH from the General Fund is derived on a cash basis (budget), as opposed to modified accrual basis (GAAP); and
- (g) The teacher's retirement cost reimbursement from the Commonwealth is recorded as revenue on a cash basis (budget), as opposed to a reduction of expenditures on an accrual basis (GAAP).
- In addition, there are certain differences in classifications between revenues, expenditures and transfers.
- The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 1988:

| | Net revenue | Expenditures | Other financing sources (uses), net | Total net revenue and sources (expenditures and uses) |
|--|---------------------|-------------------|--|---|
| | (in thousands) | | | |
| As reported on a budgetary basis | \$1,212,244 | \$1,205,435 | \$— | \$6,809 |
| Adjustments: | | | | |
| Revenues, principally from property taxes, accrual to modified accrual basis | 77,261 | — | — | 77,261 |
| Prior years' deficit | 11,066 | — | — | 11,066 |
| Prior years' available funds | (13,425) | — | — | (13,425) |
| General fund DHH subsidy | — | — | (10,348) | (10,348) |
| State-funded teachers' retirement costs | (22,323) | (23,000) | — | 677 |
| Expenditures, encumbrances and accruals, net | — | 17,259 | — | (17,259) |
| Reclassifications: | | | | |
| Health and Hospitals revenues and expenditures to an Enterprise Fund | (147,290) | (171,316) | (24,026) | — |
| Revenue sharing to Special Revenue fund | (626) | (626) | — | — |
| Parking meter revenue and expenditures to Special Revenue fund | (6,900) | (6,900) | — | — |
| Transfers from other funds and debt service expenditures to other financing uses | (500) | (78,025) | (77,525) | — |
| Other retirement benefits | (6,761) | (6,761) | — | — |
| BRA expenditures for planning to other financing uses | — | (2,107) | (2,107) | — |
| As report on a GAAP basis | <u>\$ 1,102,746</u> | <u>\$ 933,959</u> | <u>\$ (114,006)</u> | <u>\$ 54,781</u> |

(11) Property, Plant and Equipment - Enterprise Funds

Property, plant and equipment of DHH, THH, and EDIC by major category, at June 30, 1988 is as follows:

| Department of Health and Hospitals | | | | | |
|--|------------------------|---------------------------|---------------|------------------|------------------|
| | Hospital Facilities | South Block Complex | THH | EDIC | Total |
| | (in thousands) | | | | |
| Land | \$ 3,853 | \$ 132 | \$— | \$ 8,394 | \$ 12,379 |
| Buildings and leasehold improvements | 110,287 | 18,238 | — | 16,820 | 145,345 |
| Furniture and equipment | 27,966 | 569 | 511 | 1,183 | 30,229 |
| Construction in progress | — | — | — | 864 | 864 |
| | 142,106 | 18,939 | 511 | 27,261 | 188,817 |
| Less accumulated depreciation | 79,024 | 9,047 | 355 | 11,459 | 99,885 |
| Totals | <u>\$ 63,082</u> | <u>\$ 9,892</u> | <u>\$ 156</u> | <u>\$ 15,802</u> | <u>\$ 88,932</u> |

The South Block Complex consists of residential apartments, parking for resident and hospital use and facilities that house the Boston City School of Practical Nursing.

Included in property, plant and equipment of the Enterprise Funds at June 30, 1988 are capital leases as follows:

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| | |
|---|----------------|
| | (in thousands) |
| Equipment | \$ 358 |
| Building and leasehold improvements | 9,343 |
| | <u>9,701</u> |
| Less accumulated depreciation | 5,773 |
| Total | <u>\$3,928</u> |

Future minimum payments under these capital leases as of June 30, 1988 are as follows:

| | <u>DHH</u> | <u>EDIC</u> (in thousands) | <u>Total</u> |
|---|----------------|-------------------------------|----------------|
| 1989 | \$ 378 | \$ 54 | \$ 432 |
| 1990 | 358 | 50 | 408 |
| 1991 | 277 | 21 | 298 |
| 1992 | 277 | 16 | 293 |
| 1993 | — | 4 | 4 |
| | <u>1,290</u> | <u>145</u> | <u>1,435</u> |
| Total minimum lease payments | | | |
| Less amount representing interest | 187 | 18 | 205 |
| Totals | <u>\$1,103</u> | <u>\$127</u> | <u>\$1,230</u> |

(12) Pension Plan

(a) Plan Description

The City participates in the State-Boston Retirement System (SBRS or System) which is a cost-sharing multiple-employer public employee retirement system established under Chapter 32 of the Massachusetts General Laws and is a member of the Massachusetts Contributory Retirement System. SBRS provides pension benefits for participating employees of the following governmental entities:

City of Boston
 Boston Redevelopment Authority
 Boston Housing Authority
 Boston Water and Sewer Commission

The Massachusetts Turnpike Authority has one participant in the System.

The System is a contributory defined benefit plan covering all permanent full-time employees immediately upon the commencement of employment. Those employees who serve in the City of Boston's School Department in a teaching capacity are members of the System. However, the cost of these pension benefits is reimbursed by the Commonwealth of Massachusetts ("Commonwealth") directly to the City.

At January 1, 1988, SBRS membership consisted of:

| | <u>City</u> | <u>BRA</u> | <u>Other Entities</u> | <u>Total</u> |
|---|---------------|--------------|---------------------------|---------------|
| Active employees | 18,414 | 620 | 715 | 19,749 |
| Pensioners and beneficiaries | 12,172 | 504 | 288 | 12,964 |
| Inactive employees with vested rights | 5,026 | 158 | 109 | 5,293 |
| | <u>35,612</u> | <u>1,282</u> | <u>1,112</u> | <u>38,006</u> |

* Not included in the general purpose financial statements.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65 (for certain hazardous duty and public safety positions, normal retirement is at age 55).

A retirement allowance has two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate comprise the annuity. The differential between the total retirement benefit and the annuity is the pension.

Active members contribute either 5, 7 or 8% of their gross regular compensation. The percentage rate is keyed to the date upon which an employee's membership commences.

The pension portion of any retirement benefit is paid from the pension fund of the System. The governmental unit employing the member must annually appropriate and contribute the amount of current year pension payments as determined by

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PERA's actuary. Until recently, retirement systems were paying only the actual retirement benefits that were due each year. Large unfunded liabilities resulted from operating upon this pay-as-you-go basis. In 1983, legislation was passed requiring the transfer of investment earnings (in excess of the amount credited to member accounts) into the Pension Reserve Fund. This initiative has significantly reduced the rate of growth of the systems' unfunded liabilities.

Administrative expenses are allocated among the governmental entities whose employees are members of the System.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent upon several factors including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veteran's status, and group classification.

(b) Summary of Accounting Policies

Basis of Presentation

SBRS's financial statements are prepared using the accrual basis of accounting in conformity with Statement 35 of the Financial Accounting Standards Board. Employee contributions are recognized as revenues in the period in which they are withheld from payroll. Employer contributions and reimbursements from the Commonwealth are recognized as revenues when due.

For Governmental Funds, retirement costs are determined based on the amount contributed to the Pension Trust Funds and the unfunded accumulated benefit obligation is recorded as a liability of the General Long-Term Obligations Account Group. For Proprietary Funds, retirement costs are determined on an actuarial basis up to the amount of the unfunded accumulated benefit obligation.

(c) Funding Status and Progress

The amount shown below as the "pension benefit obligation" is a standard disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the system on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among systems.

The pension benefit obligation was computed as part of an actuarial valuation performed as of June 30, 1988. Significant actuarial assumptions used in the valuation include (a) the life expectancy of participants using the 1971 Group Annuity Mortality Table, set back 6 years for females, (b) projected annual salary increases of 6% both retroactively and prospectively, attributed to inflation and seniority/merit, (c) a rate of return on the investments of 10% a year, (d) retirement age assumptions of 64, 62 and 60 for various groups, and (e) post-retirement benefit increases granted to date, and (f) removal of the \$30,000 compensation cap and other changes resulting from the adoption of Chapter 32, Section 22D (see (f) below).

The unfunded pension benefit obligation and the accumulated unfunded benefit obligation at June 30, 1988 are as follows:

| | <u>City</u> | <u>BRA</u> | <u>Other Entities*</u> | <u>Total</u> |
|---|-------------------|----------------|----------------------------|----------------|
| | | (in thousands) | | |
| Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits | \$849,449 | \$ 6,616 | \$32,817 | \$ 888,882 |
| Current employees: | | | | |
| Accumulated employee contributions including investment earnings | 358,400 | 5,000 | 18,700 | 382,100 |
| Employer financed vested | 119,628 | 556 | 694 | 120,878 |
| Employer financed nonvested | 436,401 | 4,358 | 18,752 | 459,511 |
| Total pension benefit obligation | 1,763,878 | 16,530 | 70,963 | 1,851,371 |
| Net assets available for benefits, at market | 708,029 | 10,186 | 30,349 | 748,564 |
| Unfunded pension benefit obligation | 1,055,849 | 6,344 | 40,614 | 1,102,807 |
| Less: | | | | |
| Adjustment to reduce the unfunded pension benefit obligation for projected salary increases | 284,478 | 2,801 | 11,674 | 298,953 |
| Assets held by the City of Boston in a separate pension trust fund | 39,059 | — | — | 39,059 |
| Estimated amounts to be reimbursed by the Commonwealth of Massachusetts for teachers, net of related assets | 208,208 | — | — | 208,208 |
| Unfunded accumulated pension benefit obligation | <u>\$ 524,104</u> | <u>3,543</u> | <u>28,940</u> | <u>556,587</u> |

* Not included in the general purpose financial statements.

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The City has recorded \$473,461,000 of the unfunded accumulated benefit obligation as a liability in the General Long-Term Obligations Account Group. The remaining \$50,643,000 is recorded as a liability in the DHH Enterprise Fund.

(d) Contribution Requirements and Contributions Made

SBRs's funding policy is not actuarially determined. Each entity is required to contribute each fiscal year an amount, approximating the pension benefits (less certain interest credits) expected to be paid during the year ("pay-as-you-go" method). This amount is determined in advance by the Public Employees Retirement Administration (PERA) and is based in part on the previous year's benefit payout. The Commonwealth currently reimburses the System on a quarterly basis for the portion of benefit payments owing to cost-of-living increases granted after the implementation of Proposition 2 1/2 . Also the Commonwealth reimburses the City of Boston for benefits paid to school teachers.

Contributions to SBRs during the year ended June 30, 1988 as determined on the "pay-as-you-go" method described above were as follows: (in thousands)

| | <u>City</u> | <u>BRA</u> |
|----------------|-------------|------------|
| Employer..... | \$125,383 | \$1,919 |
| Employee | 35,783 | 687 |

(e) Trend Information

Historical trend information is presented in the State Boston Retirement System's June 30, 1988 separately issued financial statements.

(f) Adoption of Chapter 32, Section 22D

On August 17, 1988, the Boston City Council voted to accept the provisions of Chapter 32, Section 22D. By such acceptance, certain changes to SBRs's provisions are mandated. In addition, SBRs must establish an approved funding program to fully fund the System by June 30, 2028, provide certain fitness and wellness programs and meet certain performance standards for the invested funds. In return, the Commonwealth will provide financial assistance through a program of funding grants for 15 years and delay the advance funding requirements until the funding grants begin in 1990.

The primary benefit changes include: 1) removing the \$30,000 cap on regular compensation used in determining the retirement allowance for members who joined the System after January 1, 1979 (affected members would be required to contribute an additional 2% of their regular compensation over \$30,000), 2) reducing eligibility for ordinary disability from 15 years to 10 years of creditable service, 3) permitting members working after age 70 to continue contributing to the System in order to receive a benefit based on their earnings through actual retirement, and 4) increasing the dependents allowance from \$312 per year to \$450 per year subject to future cost of living adjustments.

It has been estimated that if the funding grant program had begun in 1988, the System would be eligible for a funding grant for 1988 of approximately \$5 million. The actual amount will vary from year to year based on the increase in state income and excise taxes and the relative funding burdens of all systems.

The adoption of Chapter 32, Section 22D has been reflected in the accompanying calculations of actuarially determined pension liabilities. It is estimated that these changes increased the present value of accumulated plan benefits by \$6 million and the pension benefit obligation by \$36.6 million at June 30, 1988. The adoption of Chapter 32, Section 22D is not expected to significantly impact future funding requirements of the City and BRA.

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(13) General Long-Term Obligations

The following is a summary of bond and other long-term obligation transactions of the City and its component units for the year ended June 30, 1988 and 1987:

| City | Interest Rates | Outstanding Beginning of Year | Additions (in thousands) | Reductions | Outstanding End of Year |
|---|---------------------|----------------------------------|-----------------------------|-----------------|----------------------------|
| Bonds: | | | | | |
| General purpose, serial maturities through 2006 | 1/4 % to 10-3/4 % | \$ 91,245 | \$ — | \$ 7,015 | \$ 84,230 |
| Urban redevelopment, serial maturities through 2006 | 4-1/2 % to 10-3/4 % | 94,952 | — | 7,383 | 87,569 |
| Schools, serial maturities through 2006 | 4-1/4 % to 10-3/4 % | 154,874 | — | 16,226 | 138,648 |
| Parking facilities, serial maturities through 2003 | 4-1/4 % to 10-3/4 % | 13,724 | — | 1,442 | 12,282 |
| Public buildings, serial maturities through 2006 | 4-1/4 % to 10-3/4 % | 97,923 | — | 8,789 | 89,134 |
| Public works, serial maturities through 2006 | 4-1/4 % to 10-3/4 % | 49,637 | — | 4,295 | 45,342 |
| Water, serial maturities through 1996 | 5-1/10 % to 10 % | 1,855 | — | 350 | 1,505 |
| Sewer, serial maturities through 1999 | 4-1/4 % to 7-3/10 % | 2,090 | — | 340 | 750 |
| Rapid transit, term maturities through 1995 | 2-1/4 % to 3 % | 7,529 | — | 85 | 7,444 |
| Funding Loan Act of 1982, serial maturities through 1992 | 7-1/2 % to 9-1/2 % | 39,800 | — | 4,300 | 35,500 |
| Lease acquisition and refinancing, serial maturities through 1993 | 5 % to 6-2/10 % | — | 23,590 | — | 23,590 |
| | | 553,629 | 23,590 | 50,225 | 526,994 |
| Other long-term obligations, net: | | | | | |
| Tax abatement refunds | | 30,968 | — | 30,968 | — |
| Judgments and claims | | 439 | 301 | — | 740 |
| Sick and vacation | | 56,168 | 5,167 | — | 61,335 |
| Retirement costs | | 458,244 | 15,217 | — | 473,461 |
| Due to other funds | | 53,579 | 4,560 | — | 58,139 |
| | | 1,153,027 | 48,835 | 81,193 | 1,120,669 |
| BRA (for the year ended June 30, 1987) | | | | | |
| Sick and vacation, net | | 1,516 | — | — | 1,516 |
| Retirement cost, net | | 718 | — | — | 718 |
| | | 2,234 | — | — | 2,234 |
| Totals | | \$1,155,261 | \$48,835 | \$81,193 | \$1,122,903 |

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On August 28, 1986, the City issued \$58.5 million in general obligation bonds to advance refund \$47.8 million of 1980, 1983, 1984 and 1985 Series bonds to provide for all future debt service payments on the refunded bonds. The refunded debt was not considered defeased in substance because proceeds of the refunding debt were not invested in essentially risk-free monetary assets as defined by generally accepted accounting principles.

On March 15, 1988, the City issued \$23.6 million in debt used for capital lease refinancing and acquisition. The debt carries serial maturities through 1993, and has interest rates ranging from 5% to 6-2/10%.

The annual debt service requirements of general obligation bonds outstanding as of June 30, 1988 are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|------------------|------------------|------------------|
| | | (in thousands) | |
| Year ending June 30, | | | |
| 1989..... | \$ 60,070 | \$ 38,168 | \$ 98,238 |
| 1990..... | 58,600 | 34,658 | 93,258 |
| 1991..... | 57,149 | 31,061 | 88,210 |
| 1992..... | 56,295 | 27,158 | 83,453 |
| 1993..... | 49,640 | 22,960 | 72,600 |
| 1994-1998..... | 140,550 | 71,855 | 212,405 |
| 1999-2003..... | 79,725 | 28,631 | 108,356 |
| 2004-2006..... | 24,965 | 2,816 | 27,781 |
| | <u>\$526,994</u> | <u>\$257,307</u> | <u>\$784,301</u> |

General obligation bonds are backed by the full faith and credit of the City. The Commonwealth of Massachusetts has approved school construction assistance, subject to annual appropriation by the State Legislature and reports filed with the Commonwealth by the City, which partially provides resources for future principal and interest requirements on general obligation school bonds of the City. In addition, the Boston Water and Sewer Commission is required by its enabling legislation to reimburse the City for future principal and interest requirements on the general obligation water and sewer bonds. As of June 30, 1988, such resources, excluding interest, expected to be provided to the City were \$80.6 million from the Commonwealth and \$3.3 million from the Boston Water and Sewer Commission.

The City of Boston 1982 Funding Loan Act makes available to the City several sources of revenue to be utilized for the payment of debt service on the Funding Loan Bonds. Such revenues include hotel/motel excise receipts, deed excise receipts and certain new real estate excises. The hotel/motel excise receipts and deed excise receipts may be used by the City solely to pay principal and interest on the Funding Loan Bonds and both dedication and collection of such receipts to the City automatically expire when such bonds are no longer outstanding. The real estate excise receipts are also pledged to the payment of the Funding Loan Bonds. However, the collection of real estate excise receipts will not expire upon payment of the Funding Loan Bonds.

As of June 30, 1988, the City has \$7.5 million on deposit with the Board of Sinking Funds Commissioners for retirement of rapid transit term general obligation bonds. The deposit is accounted for in the Debt Service Fund. If payments by the Board from the sinking fund are not sufficient to fully provide for principal and interest on such debt as it becomes due, the City is entitled to receive direct payments from the Massachusetts Bay Transportation Authority to the extent of any such deficiency.

The City is subject to a dual level general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2 1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the State Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1988, the City may issue \$782.2 million additional general obligation debt under the dual level general debt limit. General obligation debt of \$152.7 million subject to the double debt limit and \$83.5 million exempt from the debt limit is authorized but unissued as of June 30, 1988.

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

The City pays assessments under formulas which include debt service payments to other local governmental units providing services within the City's boundaries (commonly referred to as overlapping debt). The primary overlapping debt relates to the Massachusetts Bay Transportation Authority (MBTA) and the Metropolitan Parks District Commission (MDC). The following summary sets forth the long-term debt of each entity at June 30, 1988, the estimated share of such debt being serviced by the City and the total of the City's share of indirect debt.

| | Long-Term Debt Outstanding | City's Estimated Share (in thousands) | City's Indirect Debt |
|------------|----------------------------------|--|----------------------------|
| MBTA | \$150,400 | 42.08% | \$63,288 |
| MDC | 70,262 | 19.20% | 13,490 |
| | <u>\$220,662</u> | | <u>\$76,778</u> |

Long-term obligations of EDIC consist of industrial development bonds, notes and mortgages which mature as follows:

| Year ending June 30, ' | (in thousands) |
|------------------------|-----------------|
| 1989 | \$ 271 |
| 1990 | 435 |
| 1991 | 2,968 |
| 1992 | 472 |
| 1993 | 491 |
| 1994-2118 | 14,244 |
| | <u>\$18,881</u> |

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

(14) Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows:

| | General | | Transfers in (out) | | | | | THH | Expendable Trusts | NonExpendable Trusts |
|---|-------------|------------|--------------------|-----------------|---------------------------------------|-----------|-------|---------|----------------------|-------------------------|
| | 1988 | 1987 | Special Revenue | Debt Service | Capital Projects (in thousands) | DHH | | | | |
| Purpose of operating transfer: | | | | | | | | | | |
| BRA transfers: | | | | | | | | | | |
| Operations | \$(2,107) | \$(2,107) | \$1,321 (1,759) | \$ — | \$ 786 1,759 | \$ — | \$ — | \$ — | \$ — | \$ — |
| Capital projects | — | — | — | — | — | — | — | — | — | — |
| Debt service | (78,025) | (78,628) | — | 78,025 | — | — | — | — | — | — |
| Lease acquisition and refinancing | — | — | — | 9,056 | (9,056) | — | — | — | — | — |
| DHH operating subsidy | (38,934) | 5,795 | — | (2,991) | (1,341) | 43,266 | — | — | — | — |
| Add amount transferred to the long-term obligations account group | 4,560 | 1,429 | | | | | | | | |
| | (34,374) | 7,224 | | | | | | | | |
| Trust funds | 500 | 1,120 | — | — | — | — | 492 | 1,152 | (2,144) | |
| | \$(114,006) | \$(72,391) | \$(438) | \$84,090 | \$(7,852) | \$ 43,266 | \$492 | \$1,152 | \$(2,144) | |

CITY OF BOSTON, MASSACHUSETTS
Notes to General Purpose Financial Statements
June 30, 1988

(15) Contingencies

Judgments and Claims and Abatement Refunds

Numerous lawsuits are pending or threatened against the City, which arose from the ordinary course of operations, including actions commenced and claims asserted against it for property damage and personal injury, breaches of contract, condemnation proceedings and other alleged violations of law. Provisions have been made for losses which are probable and estimable.

Third-Party Reimbursement

Under Chapter 372, the Medicare and Medicaid programs reimbursed Boston City Hospital for a portion of the cost of providing free care to patients. The determination of these free care reimbursement amounts was subject to uncertainties, including the levels of free care provided by other Massachusetts hospitals and the specifics of formula application to Boston City Hospital. During 1987, the Hospital reached a tentative agreement with the Medicare and Medicaid programs as to the ultimate amount of free care reimbursement due the Hospital under Chapter 372. As a result, the Hospital recognized as revenue approximately \$29.7 million through a reduction of contractual adjustments in the Statement of Revenues, Expenses and Changes in Fund Equity for the year ended June 30, 1987.

(16) Subsequent Events

(a) Bond Issuance

On July 7, 1988, the City issued \$39,110,000 of General Obligation bonds at interest rates ranging from 5.20% to 7.75%. The proceeds will be used for various purposes, including capital improvements to City buildings, and construction of bridges, sidewalks and school athletic facilities.

(b) Tax Abatement Settlement

On November 10, 1988, the City and Boston Edison Company (Boston Edison) agreed to settle litigation pending between the parties, including fiscal years 1977 - 1982 for the Company's South Boston power plant and fiscal years 1983 - 1988 for all the Company's taxable property located in Boston. Under the terms of the settlement, the City will pay Boston Edison approximately \$7 million each year for the next six years to discharge any and all liability concerning pending tax abatement appeals. These amounts have been recorded as a liability of the General Fund as of June 30, 1988.

As a result of the above settlement, the City reduced its accrued tax abatement liability and has recognized approximately \$76 million in additional property tax revenues for the year ended June 30, 1988.

GENERAL FUND

This fund is the general operating fund of the City. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.

Exhibit A-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL FUND
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|-------------------|-------------------|
| ASSETS | | |
| Cash and short-term investments | \$268,775,929 | \$250,200,595 |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | |
| Property taxes | 5,816,474 | 13,615,147 |
| Motor vehicle excise | 6,916,542 | 3,950,642 |
| Intergovernmental | 29,924,192 | 29,497,781 |
| Accounts | 12,990,762 | 15,974,668 |
| Due from other funds | 1,321,331 | 38,859,368 |
| Total Assets | \$352,745,230 | \$352,098,201 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$45,603,827 | \$43,339,404 |
| Accrued liabilities: | | |
| Tax abatement refunds | 94,832,145 | 174,994,000 |
| Judgments and claims | 50,000 | 36,145 |
| Other | 13,994,926 | 3,642,923 |
| Due to other funds | 51,285,032 | 64,887,628 |
| Total Liabilities | 205,765,930 | 286,900,101 |
| Fund Equity: | | |
| Fund Balances | | |
| Reserved for: | | |
| Encumbrances | 48,536,740 | 64,366,000 |
| Unreserved: | | |
| Undesignated | 71,442,560 | 832,100 |
| Total Fund Equity | 119,979,300 | 65,198,100 |
| Total Liabilities and Fund Equity | \$325,745,230 | \$352,098,201 |

See accompanying notes to general purpose financial statements.

Exhibit A-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND EQUITY
YEARS ENDED JUNE 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------|---------------|
| REVENUES: | | |
| Local: | | |
| Real and personal property taxes | \$499,606,708 | \$357,557,720 |
| Excises | 42,933,527 | 42,321,285 |
| Payments in lieu of taxes | 45,968,528 | 41,110,139 |
| Licenses and permits | 19,989,576 | 18,592,102 |
| Fines | 40,559,169 | 36,878,336 |
| Investment income | 22,870,501 | 20,214,560 |
| Departmental and other revenue | 42,253,222 | 33,620,521 |
| Total local revenues | 714,181,231 | 550,294,662 |
| Intergovernmental: | | |
| Commonwealth of Massachusetts | 382,746,082 | 358,896,559 |
| Other: Massachusetts Port Authority | 5,818,654 | 5,522,152 |
| Total intergovernmental revenues | 388,564,736 | 364,418,711 |
| Total revenues | 1,102,745,967 | 914,713,373 |
| EXPENDITURES: | | |
| Current operations: | | |
| General government | \$43,752,499 | \$38,805,507 |
| Public safety | 198,234,439 | 169,527,984 |
| Public works | 64,961,913 | 56,317,248 |
| Property and development | 21,889,514 | 19,139,772 |
| Libraries | 20,154,771 | 17,687,457 |
| Parks and recreation | 13,981,005 | 9,073,778 |
| Human services | 5,737,908 | 5,798,633 |
| Schools | 322,748,128 | 284,746,056 |
| County | 25,866,714 | 22,186,798 |
| Retirement costs | 102,561,486 | 92,465,527 |
| Other employee benefits | 43,791,201 | 32,879,882 |
| Judgments and claims | 10,122,092 | 11,585,446 |
| State and district assessments | 46,867,851 | 45,213,328 |
| Miscellaneous | 2,099,738 | 3,534,550 |
| Debt service | 4,878,948 | 3,402,057 |
| Capital outlays | 6,310,626 | 6,620,376 |
| Total expenditures | 933,958,833 | 818,984,398 |
| Excess (deficiency) of revenues over expenditures | 168,787,134 | 95,728,975 |
| Other financing sources (uses): | | |
| Operating transfers in (out), net | (114,005,934) | (72,391,010) |
| Total other financing sources (uses) net | (114,005,934) | (72,391,010) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 54,781,200 | 23,337,965 |
| Fund equity, beginning of year | 65,198,100 | 41,860,135 |
| Fund equity, end of year | \$119,979,300 | \$65,198,100 |

See accompanying notes to general purpose financial statements.

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative actual for fiscal year ended June 30, 1987)

1988

| Classification | Original Budget | Supplemental | Other Adjustments | Final Budget | 1988 Actual | Variance Favorable (Unfavorable) | 1987 Actual |
|---|--------------------|--------------|----------------------|-----------------|----------------|--|----------------|
| REAL AND PERSONAL PROPERTY TAXES | | | | | | | |
| Real and Personal Property Taxes | \$424,986,871 | — | — | \$424,986,871 | \$425,539,057 | \$552,186 | \$391,543,900 |
| Revenue class total | 424,986,871 | — | — | 424,986,871 | 425,539,057 | 552,186 | 391,543,900 |
| MOTOR VEHICLE EXCISE | | | | | | | |
| Motor Vehicle Excise — Current | 18,500,000 | — | — | 18,500,000 | 13,845,727 | (4,654,273) | — |
| Motor Vehicle Excise — Prior Years | — | — | — | — | 1,546,537 | 1,546,537 | 15,854,330 |
| Boat Excise — Current | 20,000 | — | — | 20,000 | 23 | (19,977) | — |
| Boat Excise — Prior Years | — | — | — | — | 175 | 175 | 14,712 |
| Revenue class total | 18,520,000 | — | — | 18,520,000 | 15,392,462 | (3,127,538) | 15,869,042 |
| LOCAL EXCISE TAXES | | | | | | | |
| Hotel / Motel Room Excise | 11,500,000 | — | — | 11,500,000 | 12,145,770 | 645,770 | 10,497,760 |
| Aircraft Fuel Excise | 13,750,000 | — | — | 13,750,000 | 12,429,496 | (1,320,604) | 14,274,726 |
| Revenue class total | 25,250,000 | — | — | 25,250,000 | 24,575,166 | (674,834) | 24,672,486 |
| DEPARTMENTAL AND OTHER REVENUE | | | | | | | |
| Penalties and Interest — Property Taxes | 800,000 | — | — | 800,000 | 2,684,484 | 1,884,483 | 1,428,001 |
| Penalties and Interest — Motor Vehicle | 550,000 | — | — | 550,000 | 527,481 | (22,519) | 557,897 |
| Penalties and Interest — Tax Title | 6,500,000 | — | — | 6,500,000 | 4,824,960 | (1,675,040) | 5,773,206 |
| Penalties and Interest — Boat Excise | 600 | — | — | 600 | 6 | 6 | 11 |
| Data Processing Services | — | — | — | — | 485 | (215) | 84 |
| Printing Services | — | — | — | — | (5) | (5) | — |
| Purchasing Services | 100,000 | — | — | 100,000 | 25,348 | (74,652) | 140,830 |
| Recording of Legal Instruments | 150 | — | — | 150 | 192 | 42 | 164 |
| Registry Division Fees | 750,000 | — | — | 750,000 | 782,600 | 32,600 | 705,314 |
| Sale of Publications | 16,000 | — | — | 16,000 | 12,763 | (3,237) | 10,288 |
| Assessing Fees | 1,000 | — | — | 1,000 | 2,837 | 1,837 | 1,604 |
| Liens | 610,000 | — | — | 610,000 | 437,830 | (172,170) | 581,045 |
| Sale of Equipment | 5,000 | — | — | 5,000 | — | (5,000) | — |
| City Clerk Fees | 240,000 | — | — | 240,000 | 254,178 | 14,178 | 249,292 |
| Election Fees | 8,000 | — | — | 8,000 | 12,197 | 4,197 | 7,269 |
| City Council Sale of Publications | 300 | — | — | 300 | 221 | (79) | 119 |
| Other General Services | 45,000 | — | — | 45,000 | 35,912 | (9,088) | 29,823 |
| Police Services | 350,000 | — | — | 350,000 | 466,085 | 116,085 | 361,118 |
| Fire Services | 975,000 | — | — | 975,000 | 1,134,228 | 159,228 | 1,247,998 |
| Civil Defense | 40,000 | — | — | 40,000 | 95,838 | 55,838 | 27,465 |
| Parking Facilities | 3,900,000 | — | — | 3,900,000 | 3,827,900 | (72,100) | 2,905,269 |
| Street, Sidewalk and Curb Repairs | 2,600,000 | — | — | 2,600,000 | 2,542,424 | (57,576) | 2,410,081 |
| Real Property — Rents | 40,000 | — | — | 40,000 | 31,612 | (8,388) | 41,994 |
| Demolition of Abandoned Structures | 50,000 | — | — | 50,000 | 64,541 | 14,541 | 54,923 |
| Building — Rents | 360,000 | — | — | 360,000 | (20,047) | (19,953) | 488,974 |
| Damage to City Property | 50,000 | — | — | 50,000 | 10,839 | (39,161) | 27,757 |

(continued)

Exhibit A-3
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
Compared to Budget (Non-GAAP Budgetary Basis)
Fiscal Year Ended June 30, 1988
(with comparative actual for fiscal year ended June 30, 1987)

| Classification | Original Budget | Supplemental | Other Adjustments | Final Budget | 1988 Actual | Variance Favorable (Unfavorable) | 1987 Actual |
|--|-----------------|--------------|-------------------|--------------|-------------|----------------------------------|-------------|
| | | | | | | | |
| Other Revenues — Public Facilities | \$30,000 | — | — | \$30,000 | \$10,388 | \$(19,612) | \$17,889 |
| Concessions — Parks | 10,000 | — | — | 10,000 | 5,501 | (4,499) | 5,325 |
| Miscellaneous Parks | 3,000 | — | — | 3,000 | 1,909 | (1,091) | 3,956 |
| Veterans Services | 90,000 | — | — | 90,000 | 69,438 | (20,562) | 75,824 |
| Public Works — Other Charges | 15,000 | — | — | 15,000 | 3,205 | (11,795) | 9,350 |
| Sales of Supplies and Incidentals | 6,100 | — | — | 6,100 | — | (6,100) | 6,061 |
| Tuition and Transportation — Schools | 575,000 | — | — | 575,000 | 530,143 | (44,857) | 551,396 |
| Instructions — Schools | 20,000 | — | — | 20,000 | 3,811 | (16,189) | 2,768 |
| Miscellaneous Receipts — Schools | 60,000 | — | — | 60,000 | 75,801 | 15,801 | 42,714 |
| Library Fees | 125,000 | — | — | 125,000 | 131,068 | 6,068 | 119,579 |
| Library of Last Recourse | — | \$1,697,695 | — | 1,697,695 | 1,697,695 | — | 1,604,738 |
| Mass. Defenders Committee | 1,000 | — | — | 1,000 | 254 | (746) | — |
| Registry of Deeds | 2,650,000 | — | — | 2,650,000 | 2,166,725 | (483,275) | 2,656,444 |
| Telephone Commissions — County | 3,300 | — | — | 3,300 | 13,721 | 10,421 | 6,134 |
| Courthouse Custodian | 5,000 | — | — | 5,000 | 234 | (4,766) | 39,761 |
| Telephone Commissions — Jail | 14,000 | — | — | 14,000 | 103 | (13,897) | — |
| New Courthouse Space Rental | 6,804,149 | — | — | 6,804,149 | 8,445,382 | 1,641,233 | 10,474,805 |
| Telephone Commissions | 65,000 | — | — | 65,000 | 69,149 | 4,149 | 61,414 |
| Unclaimed Money | 100 | — | — | 100 | (8,464) | (8,564) | (7,431) |
| Insurance Proceeds | 100,000 | — | — | 100,000 | 61,699 | (38,301) | 24,986 |
| City Workmen's Comp. Reimbursement | — | 335,000 | — | 335,000 | 539,858 | 204,858 | — |
| Settlements — Water/Sewer | 3,244,910 | 1,017,576 | — | 4,262,486 | 4,262,486 | — | — |
| Pensions and Annuities | 150,000 | 4,866,960 | — | 5,016,960 | 5,165,970 | 149,010 | 42,758 |
| Fringe and Indirect | 350,000 | — | — | 350,000 | 197,800 | (152,200) | 457,473 |
| Private Detail — Admin. Costs | 300,000 | — | — | 300,000 | — | (300,000) | — |
| Contributions and Donations | 200 | — | — | 200 | — | (200) | 155 |
| Sale of Real Estate | 250 | — | — | 250 | — | (250) | 3,263 |
| Prior Year Reimbursements | 150,000 | — | — | 150,000 | 566,399 | 416,399 | (145,397) |
| Tellers Adjustments | 300 | — | — | 300 | 176 | (124) | (889) |
| Miscellaneous Refunds | 270,000 | — | — | 270,000 | 167,659 | (102,341) | 262,455 |
| Miscellaneous Collections | 20,000 | — | — | 20,000 | 45,419 | 25,419 | 17,588 |
| Mayor's Office | — | — | — | — | 378 | 378 | — |
| Miscellaneous — Treasury | 700 | — | — | 700 | 3,577 | 2,877 | 775 |
| Non-snow Emergency | — | — | — | 104,350 | 104,350 | — | — |
| Revenue class total | 33,054,059 | 7,917,231 | — | 41,075,640 | 42,108,734 | 1,033,094 | 33,366,418 |
| HEALTH AND HOSPITALS | | | | | | | |
| City Hospital | 124,950,000 | — | — | 124,950,000 | 120,259,443 | (4,690,557) | 123,265,481 |
| Long Island Hospital | 9,800,000 | — | — | 9,800,000 | 17,130,693 | 7,330,693 | 9,910,870 |
| Matapan Hospital | 11,000,000 | — | — | 11,000,000 | 9,899,752 | (1,100,248) | 9,572,557 |
| Revenue class total | 145,750,000 | — | — | 145,750,000 | 147,289,888 | 1,539,888 | 142,748,908 |

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES

Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative actual for fiscal year ended June 30, 1987)
1988

| Classification | Original Budget | Supplemental | Other Adjustments | Final Budget | 1988 Actual | Variance Favorable (Unfavorable) | 1987 Actual |
|---------------------------------------|--------------------|--------------|----------------------|-----------------|----------------|--|----------------|
| COMMONWEALTH OF MASSACHUSETTS | | | | | | | |
| Urban Redevelopment Ch. 121A | \$26,685,000 | — | — | \$26,685,000 | 32,314,535 | \$5,629,535 | \$29,567,241 |
| Government Center | — | — | — | — | — | — | 357,570 |
| State Owned Lands | — | — | — | — | — | — | 1,218,911 |
| R.E. Abatements — Veterans | 67,111 | — | — | 67,111 | 68,450 | 1,339 | 84,562 |
| R.E. Abatements — Widows and Other | 264,150 | — | — | 264,150 | 264,150 | — | 264,150 |
| R.E. Abatements — Blinds | 27,213 | — | — | 27,213 | 27,650 | 437 | 27,213 |
| Elderly Exemptions | 1,640,755 | — | — | 1,640,755 | 1,537,843 | (102,912) | 1,640,755 |
| State Lottery Local Aid | 18,321,451 | — | — | 18,321,451 | 18,321,451 | — | 16,741,049 |
| Highways — Local Aid | 384,119 | — | — | 384,119 | 384,119 | — | 841,618 |
| Veterans Services — Local Aid | 1,407,569 | — | — | 1,407,569 | 981,452 | (426,117) | 1,245,087 |
| Pensions — Retired Teachers | 22,900,000 | — | — | 22,900,000 | 22,322,653 | (577,347) | 21,713,850 |
| Local Aid — Add'l Assistance | 265,705,619 | — | — | 265,705,619 | 265,705,619 | — | 225,407,778 |
| Public Library — Local Aid | — | \$516,236 | — | 516,236 | 520,009 | 3,773 | 540,198 |
| Racing Taxes | 525,000 | — | — | 525,000 | 1,035,004 | 510,004 | 511,423 |
| School Construction — State | 15,689,823 | — | — | 15,689,823 | 15,190,315 | (499,508) | 16,233,016 |
| School Aid Chapter 70 | 66,870,066 | — | — | 66,870,066 | 66,870,066 | — | 82,257,010 |
| Transportation of Pupils | 10,068,310 | — | — | 10,068,310 | 9,043,667 | (1,024,643) | 10,243,455 |
| Tuition for State Wards | 928,889 | — | — | 928,889 | 2,796,286 | 1,867,397 | 935,918 |
| Revenue class total | 431,485,075 | 516,236 | — | 432,001,311 | 437,383,270 | 5,381,959 | 409,830,804 |
| IN LIEU OF TAXES | | | | | | | |
| N.E. Deaconess Hospital | 42,000 | — | — | 42,000 | 42,000 | — | 42,000 |
| N.E. Medical Center Hospital | 380,000 | — | — | 380,000 | 418,004 | 38,004 | 382,853 |
| Digital Equipment | 42,800 | — | — | 42,800 | 42,800 | — | 42,800 |
| Blue Cross/Blue Shield | 450,000 | — | — | 450,000 | — | (450,000) | 761,849 |
| Old City Hall | 425,000 | — | — | 425,000 | 584,560 | 159,560 | 428,543 |
| Boston University | 200,000 | — | — | 200,000 | 221,254 | 21,254 | 206,256 |
| Urban Redevelopment Chapter 121A | 6,900,000 | — | — | 6,900,000 | 7,281,722 | 381,722 | 7,629,485 |
| Miscellaneous | 25,000 | — | — | 25,000 | 4,144 | (20,857) | 42,098 |
| Mass Port Authority | 5,700,000 | — | — | 5,700,000 | 5,818,654 | 118,654 | 5,522,152 |
| Sale of Property — Special Tax | 110,000 | — | — | 110,000 | 508,396 | 35,396 | 11,127 |
| State — Special Tax | 20,150 | 363,000 | — | 383,150 | — | (20,150) | 36,715 |
| Berkeley School | 150,000 | — | — | 150,000 | 85,825 | (64,175) | 144,606 |
| Trimount Foundation | 10,000 | — | — | 10,000 | 10,000 | — | 4,126 |
| Harvard Community Harvard Plan | 200,000 | — | — | 200,000 | 192,771 | (7,229) | 195,953 |
| Hood Milk | 497,500 | — | — | 497,500 | 497,500 | — | 482,746 |
| Mass General Hospital | 380,000 | — | — | 380,000 | 383,463 | 3,463 | 379,139 |
| Harvard University | 895,318 | — | — | 895,318 | 895,318 | — | 809,931 |
| Suffolk University | 45,000 | — | — | 45,000 | 39,865 | (5,135) | 40,187 |
| Northeastern University | 30,570 | — | — | 30,570 | 30,570 | — | 30,570 |
| N.E. Nursing Home | 56,000 | — | — | 56,000 | 56,000 | — | 56,000 |
| N.E. School of Law | 13,125 | — | — | 13,125 | 13,125 | — | 13,125 |
| Brighams and Womens hospital | 205,000 | — | — | 205,000 | 232,000 | 27,000 | 204,508 |
| Economic Development Industrial Corp. | 28,402 | — | — | 28,402 | 254,246 | 197,443 | — |
| Tufts University | — | 81,000 | — | 81,000 | 87,000 | 6,000 | — |
| Revenue class total | 16,805,865 | 472,401 | — | 17,278,266 | 17,699,217 | 420,951 | 17,466,769 |

(continued)

Exhibit A-3
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
Compared to Budget (Non-GAAP Budgetary Basis)
Fiscal Year Ended June 30, 1988
(with comparative actual for fiscal year ended June 30, 1987)

| Classification | 1988 | | | | | Variance Favorable (Unfavorable) | 1987 Actual |
|--|--------------------|--------------|----------------------|-----------------|----------------|--|----------------|
| | Original Budget | Supplemental | Other Adjustments | Final Budget | 1988 Actual | | |
| LICENSES AND PERMITS | | | | | | | |
| Building Structures and Permits | \$13,300,000 | — | — | \$13,300,000 | \$14,431,174 | \$1,131,174 | \$13,504,135 |
| Weights and Measures | 100,000 | — | — | 100,000 | 121,946 | 21,946 | 100,938 |
| Street and Curb Permits | 600,000 | \$400,000 | — | 1,000,000 | 1,223,730 | 223,730 | 603,588 |
| Health Inspections | 480,000 | — | — | 480,000 | 393,976 | (86,024) | 442,855 |
| Alcoholic Beverages Licenses | 2,300,000 | — | — | 2,300,000 | 2,204,253 | (95,748) | 2,206,300 |
| Peddlers' Licenses | 18,000 | — | — | 18,000 | — | (18,000) | 7,900 |
| Entertainment Licenses | 350,000 | — | — | 350,000 | 351,218 | 1,218 | 387,164 |
| Police and Protective Permits | 400,000 | — | — | 400,000 | 335,875 | (64,125) | 342,047 |
| Professional and Occupational Licenses | 110,000 | — | — | 110,000 | 97,506 | (12,494) | 122,110 |
| Other Business Licenses and Permits | 850,000 | — | — | 850,000 | 829,376 | (20,624) | 873,777 |
| Cable Television | 425,000 | — | — | 425,000 | 523 | (424,477) | 1,287 |
| Revenue class total | 18,933,000 | 400,000 | — | 19,333,000 | 19,989,576 | 656,576 | 18,592,102 |
| INVESTMENT INCOME | | | | | | | |
| Interest on Investments | 17,200,000 | — | — | 17,200,000 | 20,861,980 | 3,661,980 | 19,495,656 |
| Revenue class total | 17,200,000 | — | — | 17,200,000 | 20,861,980 | 3,661,980 | 19,495,656 |
| FINES | | | | | | | |
| Parking Fines | 34,476,505 | 2,023,495 | — | 36,500,000 | 13,177,142 | (23,322,858) | 14,752,501 |
| Mail Collection of Parking fines | — | — | — | — | 24,572,724 | 24,572,724 | 19,960,218 |
| Superior Criminal Court | 13,000 | — | — | 13,000 | 1,726 | (11,275) | 5,776 |
| Supreme Judicial Court | 800 | — | — | 800 | 2,194 | 1,394 | 3,043 |
| Municipal Criminal Court | 260,000 | — | — | 260,000 | 413,474 | 153,474 | 336,887 |
| F & C East Boston | 110,000 | — | — | 110,000 | 168,135 | 58,135 | 88,219 |
| F & C Brighton | 265,000 | — | — | 265,000 | 341,070 | 76,070 | 207,027 |
| F & C Charlestown | 45,000 | — | — | 45,000 | 29,255 | (15,745) | 41,598 |
| F & C Dorchester | 310,000 | — | — | 310,000 | 492,733 | 182,733 | 316,545 |
| F & C Roxbury | 460,000 | — | — | 460,000 | 566,219 | 106,219 | 451,616 |
| F & C South Boston | 120,000 | — | — | 120,000 | 219,612 | 99,612 | 141,305 |
| F & C West Roxbury | 300,000 | — | — | 300,000 | 473,204 | 173,204 | 357,062 |
| House of Correction — Regular | 20,000 | — | — | 20,000 | 40,264 | 20,264 | 16,332 |
| House of Correction — Work release | 12,000 | — | — | 12,000 | 11,820 | (180) | 11,332 |
| County Jail | 120,000 | — | — | 120,000 | 49,598 | (70,402) | 119,386 |
| Revenue class total | 36,512,305 | 2,023,495 | — | 38,535,800 | 40,559,169 | 2,023,369 | 36,808,846 |

(continued)

Exhibit A-3
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
Compared to Budget (Non-GAAP Budgetary Basis)
Fiscal Year Ended June 30, 1988
(with comparative actual for fiscal year ended June 30, 1987)

| Classification | 1988 | | | | | Variance Favorable (Unfavorable) | 1987 Actual |
|--|--------------------|--------------|----------------------|-----------------|-----------------|--|-----------------|
| | Original Budget | Supplemental | Other Adjustments | Final Budget | 1988 Actual | | |
| TRANSFER FROM OTHER FUNDS | | | | | | | |
| Appropriated Revenue Sharing | \$610,000 | — | — | \$610,000 | \$626,250 | \$16,250 | \$8,640,000 |
| Appropriated Cemetery Trustee | 500,000 | — | — | 500,000 | 500,000 | — | 1,148,000 |
| Appropriated Special Revenue | 6,800,000 | \$100,000 | — | 6,900,000 | 6,900,000 | — | 6,725,000 |
| Appropriated State/Bos Retirement | 6,760,657 | — | — | 6,760,657 | 6,760,657 | — | 15,948,468 |
| Authorized Special Revenue | — | — | — | — | — | — | 294,095 |
| Revenue class total | 14,670,657 | 100,000 | — | 14,770,657 | 14,786,907 | 16,250 | 32,755,563 |
| OTHER AVAILABLE FUNDS | | | | | | | |
| Appropriated Fund Balance — Free Cash | — | 13,424,568 | — | 13,424,568 | 13,424,568 | — | 4,016,236 |
| Revenue class total | — | 13,424,568 | — | 13,424,568 | 13,424,568 | — | 4,016,236 |
| Total Revenues and Other Financing Sources | 1,186,867,832 | 24,853,931 | — | 1,211,826,113 | 1,223,309,994 | 11,483,881 | 1,146,166,729 |
| Less: Prior Year Deficits | 11,066,436 | — | — | 11,066,436 | 11,066,436 | — | 15,112,719 |
| Net Revenue Available for Appropriation | \$1,175,801,396 | \$24,853,931 | — | \$1,200,759,677 | \$1,212,243,558 | \$11,483,881 | \$1,131,054,010 |

Exhibit A-4

CITY OF BOSTON AND COUNTY OF SUFFOLK

GENERAL FUND

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES

Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative actual for fiscal year ended June 30, 1987)

1988

| | | 1988 | | | | | | | |
|--|--|--------------------|---------------|--------------------------|----------------------|-----------------|------------|--|----------------|
| Budget Title | | Original Budget | Supplementals | Mayoral Reallocations | Other Adjustments | Final Budget | Actual | Variance Favorable (Unfavorable) | 1987 Actual |
| GENERAL GOVERNMENT | | | | | | | | | |
| Mayor's Office..... | | \$991,985 | — | \$25,000 | — | \$1,016,985 | \$945,795 | \$71,190 | \$905,739 |
| City Council | | 2,324,129 | — | — | — | 2,324,129 | 1,973,694 | 350,435 | 2,012,167 |
| Consumer Affairs and Licensing | | 569,728 | — | 20,000 | — | 589,728 | 586,314 | 3,414 | 446,951 |
| Election Department..... | | 2,249,990 | \$350,000 | — | — | 2,599,990 | 2,414,844 | 185,146 | 1,998,079 |
| Election Department — Listing Board..... | | 450,000 | — | — | — | 450,000 | 410,823 | 39,177 | 427,604 |
| Auditing Department | | 1,485,117 | — | — | — | 1,485,117 | 1,442,166 | 42,951 | 1,298,317 |
| Assessing Department | | 7,366,969 | — | — | — | 7,366,969 | 7,045,076 | 321,893 | 6,144,252 |
| Treasury Department — Collecting Div..... | | 2,289,965 | — | — | — | 2,289,965 | 2,085,368 | 204,597 | 1,700,563 |
| Treasury Department — Treasury Div..... | | 1,286,817 | — | — | — | 1,286,817 | 1,122,544 | 164,273 | 1,008,000 |
| Admin. Svc. — Budget/Program Evaluation | | 2,245,544 | — | 25,000 | \$205,000 | 2,475,544 | 2,277,475 | 198,069 | 2,358,758 |
| Admin. Svc. — Personnel Management | | 1,399,276 | — | 65,000 | (20,000) | 1,444,276 | 1,318,869 | 125,407 | 1,146,618 |
| Admin. Svc. — Purchasing Division | | 894,600 | — | 60,000 | — | 954,600 | 910,823 | 43,777 | 807,782 |
| Admin. Svc. — Contract Management | | 125,049 | — | 25,000 | — | 150,049 | 137,587 | 12,462 | 109,826 |
| Admin. Svc. — Printing Division | | 2,005,120 | — | — | — | 2,005,120 | 1,883,693 | 121,427 | 1,770,731 |
| Admin. Svc. — Cable and Telecommunications..... | | 368,000 | — | 40,000 | 45,000 | 453,000 | 441,488 | 11,512 | 435,664 |
| Admin. Svc. — Labor Relations | | 355,326 | — | — | 10,000 | 365,326 | 347,721 | 17,605 | 289,332 |
| Admin. Svc. — Management Information Systems | | 7,931,100 | — | — | (60,000) | 7,871,100 | 7,622,462 | 248,638 | 8,160,911 |
| Admin. Svc. — Intergovernmental Relations | | 466,361 | — | 110,000 | 10,000 | 586,361 | 555,673 | 30,688 | — |
| Law Department..... | | 2,725,000 | — | 300,000 | — | 3,025,000 | 2,856,173 | 168,828 | 2,843,734 |
| Major Vendor Clearing Account | | — | — | — | — | — | 289,842 | (289,842) | 126,817 |
| City Clerk..... | | 398,818 | — | 20,000 | — | 418,818 | 384,157 | 34,661 | 354,051 |
| Registry Division | | 619,829 | — | — | — | 619,829 | 575,357 | 44,472 | 513,150 |
| Boston Redevelopment Authority | | — | — | — | 17,955 | 17,955 | 17,931 | 24 | — |
| Finance Commission | | 146,067 | — | — | — | 146,067 | 139,472 | 6,595 | 142,691 |
| Freedom Trail Commission | | 250,000 | — | — | — | 250,000 | 250,000 | — | 200,000 |
| Non-snow Emergency | | — | — | — | 104,350 | 104,350 | 188,000 | (83,650) | — |
| Reserve Fund | | — | 4,500,000 | — | — | 4,500,000 | 4,500,000 | — | 8,500,000 |
| Policy Office..... | | 599,714 | — | — | — | 599,714 | 524,848 | 74,866 | 391,200 |
| Fair Housing Commission | | 179,332 | — | 30,000 | — | 209,332 | 190,864 | 18,468 | 165,954 |
| Emergency Shelter Commission | | 133,313 | — | — | — | 133,313 | 86,304 | 47,009 | 78,791 |
| Press Office | | 93,060 | — | 103,000 | — | 196,060 | 148,213 | 47,847 | 150,841 |
| Neighborhood Services | | 1,070,000 | — | 250,000 | — | 1,320,000 | 1,216,303 | 103,697 | 985,062 |
| Business and Cultural Development | | 957,672 | — | 160,000 | — | 1,117,672 | 1,093,788 | 23,884 | 896,829 |
| Capital Planning | | 401,764 | — | — | — | 401,764 | 361,188 | 40,576 | 295,475 |
| Women's Commission..... | | 74,734 | — | — | — | 74,734 | 64,742 | 9,992 | 63,294 |
| Human Rights Commission | | 234,366 | — | — | — | 234,366 | 160,295 | 74,071 | 166,034 |
| Cemetery Division..... | | — | — | — | — | — | (1) | 1 | — |
| Costs of Issuance — Rans..... | | 1,050,000 | — | — | — | 1,050,000 | 1,030,096 | 19,904 | 1,028,563 |
| Annual Audit Costs | | 550,000 | — | — | — | 550,000 | 485,012 | 64,988 | 542,084 |
| Boston Committee..... | | — | — | — | — | — | — | — | 190,000 |
| Employment Commission | | — | — | — | — | — | — | — | 58,787 |
| Activity Total | | 44,288,745 | 4,850,000 | 1,233,000 | 312,305 | 50,684,050 | 48,084,998 | 2,599,052 | 46,714,648 |

GENERAL FUND
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES
Compared to Budget (Non-GAAP Budgetary Basis)
Fiscal Year Ended June 30, 1988
(with comparative actual for fiscal year ended June 30, 1987)

1988

| Budget Title | Original Budget | Supplementals | Mayoral Reallocations | Other Adjustments | Final Budget | Actual | Variance Favorable (Unfavorable) | 1987 Actual |
|---|--------------------|---------------|--------------------------|----------------------|-----------------|-------------|--|----------------|
| HUMAN SERVICES | | | | | | | | |
| Rent Equity Board | \$1,018,847 | — | \$65,000 | — | \$1,083,847 | \$1,070,951 | \$12,896 | \$938,157 |
| Elderly Commission | 2,388,532 | — | — | — | 2,388,532 | 2,115,387 | 273,145 | 2,084,116 |
| Commission on the Handicapped | 161,907 | — | 5,000 | — | 166,907 | 162,520 | 4,387 | 125,806 |
| Arts and Humanities Office | 130,000 | — | 40,000 | — | 170,000 | 160,111 | 9,889 | 120,388 |
| Veterans Services Department | 2,843,613 | — | — | — | 2,843,613 | 2,220,029 | 623,584 | 2,637,235 |
| Veterans Graves Registration | 146,370 | — | — | — | 146,370 | 140,382 | 5,988 | 130,800 |
| Jobs and Community Services | 249,410 | — | 81,000 | — | 330,410 | 289,318 | 41,092 | — |
| Activity Total | 6,938,679 | — | 191,000 | — | 7,129,679 | 6,158,699 | 970,980 | 6,036,502 |
| PUBLIC SAFETY | | | | | | | | |
| Police Department | 97,251,952 | \$7,750,000 | — | — | 105,001,952 | 105,018,913 | (16,961) | 92,841,498 |
| Fire Department | 72,693,630 | 2,000,000 | — | — | 74,693,630 | 74,837,123 | (143,493) | 68,246,879 |
| Arson Commission | 94,605 | — | 9,000 | — | 103,605 | 79,078 | 24,527 | 66,057 |
| Traffic and Parking Department | 13,214,400 | 100,000 | — | — | 13,314,400 | 12,844,826 | 469,574 | 10,827,622 |
| Licensing Board | 502,725 | — | 15,000 | — | 517,725 | 476,751 | 40,974 | 425,261 |
| Transportation — Parking Clerk | 7,100,000 | — | — | — | 7,100,000 | 7,173,983 | (73,983) | 6,277,434 |
| Inspectional Services Department | 9,116,641 | — | 150,000 | — | 9,266,641 | 9,112,429 | 154,212 | 7,730,905 |
| Activity Total | 199,973,953 | 9,850,000 | 174,000 | — | 209,997,953 | 209,543,102 | 454,851 | 186,415,655 |
| PUBLIC WORKS | | | | | | | | |
| Public Works Department | 61,121,067 | 940,000 | — | — | 62,061,067 | 60,087,102 | 1,973,965 | 54,737,468 |
| Snow Removal | 2,250,000 | — | — | — | 2,250,000 | 4,821,876 | (2,571,876) | 4,774,403 |
| Activity Total | 63,371,067 | 940,000 | — | — | 64,311,067 | 64,908,978 | (597,911) | 59,511,870 |
| PROPERTY AND DEVELOPMENT | | | | | | | | |
| Real Property — Administration | 379,996 | — | 50,000 | — | 429,996 | 345,410 | 84,586 | 793,413 |
| Real Property — County | 899,998 | — | 100,000 | — | 999,998 | 996,808 | 3,190 | 4,946,889 |
| Real Property — Building Division | 5,400,000 | — | — | — | 5,400,000 | 5,690,531 | (290,531) | 850,775 |
| Real Property — Property Division | 1,830,000 | — | — | — | 1,830,000 | 1,775,624 | 54,376 | — |
| Real Property — Code Enforcement | 446,359 | — | 50,000 | — | 496,359 | 300,652 | 195,707 | — |
| Public Facilities — Administration | 3,612,505 | — | — | 430,127 | 4,042,632 | 4,200,866 | (158,234) | 9,800,344 |
| Public Facilities — Construction/Repair | 3,681,864 | — | — | (430,127) | 3,251,737 | 3,121,012 | 130,725 | 1,601,103 |
| Public Facilities — Security Division | 3,455,150 | — | — | — | 3,455,150 | 3,018,531 | 436,619 | 3,002,880 |
| PFD — Community Schools Programs | 6,090,000 | — | 190,000 | — | 6,280,000 | 6,247,343 | 32,657 | 2,291,057 |
| Boston Redevelopment Authority | — | — | — | — | — | — | — | — |
| Activity Total | 25,795,872 | — | 390,000 | — | 26,185,872 | 25,696,778 | 489,094 | 23,286,441 |
| PARKS AND RECREATION | | | | | | | | |
| Parks and Recreation Department | 11,500,143 | 1,100,000 | — | — | 12,600,143 | 12,604,668 | (4,525) | 9,239,077 |
| Environmental Division | 531,983 | — | 25,000 | — | 556,983 | 516,215 | 40,768 | 466,901 |
| Cemetery Division | 1,149,991 | — | — | — | 1,149,991 | 1,111,876 | 38,115 | 1,121,204 |
| Activity Total | 13,182,117 | 1,100,000 | 25,000 | — | 14,307,117 | 14,232,759 | 74,358 | 10,827,181 |

(continued)

Exhibit A-4

CITY OF BOSTON AND COUNTY OF SUFFOLK

GENERAL FUND

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES

Compared to Budget (Non-GAAP Budgetary Basis)

Fiscal Year Ended June 30, 1988

(with comparative totals for fiscal year ended June 30, 1987)

1988

| Budget Title | Original Budget | Supplementals | Mayoral Reallocations | Other Adjustments | Final Budget | Actual | Variance Favorable (Unfavorable) | 1987 Actual |
|--|--------------------|---------------|--------------------------|----------------------|-----------------|---------------|--|----------------|
| LIBRARY | | | | | | | | |
| Library Department | \$ 17,203,478 | \$2,913,931 | — | — | \$ 20,117,409 | \$ 20,193,400 | \$ (75,991) | \$ 17,636,310 |
| SCHOOLS | | | | | | | | |
| General School Purposes | 311,600,000 | — | — | — | 311,600,000 | 318,578,076 | (6,978,076) | 290,020,053 |
| HEALTH AND HOSPITALS | | | | | | | | |
| Health and Hospitals Department | 152,703,000 | 4,750,000 | — | — | 157,453,000 | 157,243,478 | 209,522 | 140,789,182 |
| COUNTY CORRECTIONS | | | | | | | | |
| Registry of Deeds | 1,617,350 | — | \$ 10,000 | — | 1,627,350 | 1,536,269 | 91,081 | 1,468,969 |
| Courthouse Custodian | 4,499,468 | — | — | — | 4,499,468 | 4,786,621 | (287,153) | 4,182,276 |
| Suffolk County Jail | 7,807,541 | 450,000 | — | — | 8,257,541 | 7,895,720 | 361,821 | 7,137,119 |
| Penal Department | 10,399,959 | — | 200,000 | — | 10,599,959 | 10,860,256 | (260,297) | 9,368,162 |
| Activity Total | 24,324,318 | 450,000 | 210,000 | — | 24,984,318 | 25,078,865 | (94,547) | 22,156,527 |
| JUDGMENTS AND CLAIMS | | | | | | | | |
| Execution of Courts | 5,000,000 | — | — | — | 5,000,000 | 3,386,675 | 1,613,325 | 4,716,559 |
| EMPLOYEE BENEFITS | | | | | | | | |
| Medicare Payments | 450,000 | — | — | — | 450,000 | 765,186 | (315,186) | — |
| ASD—Hospitalization and Insurance | 37,550,000 | — | — | \$(190,000) | 37,360,000 | 36,451,399 | 908,601 | 35,253,131 |
| Retirement Board | 1,649,494 | — | — | — | 1,649,494 | 1,649,863 | (369) | 1,486,848 |
| Workmen's Compensation Services | 365,001 | — | — | — | 365,001 | 313,956 | 51,045 | 262,188 |
| Workmen's Compensation Fund | 2,100,000 | — | — | — | 2,100,000 | 1,537,149 | 562,851 | 1,852,830 |
| Activity Total | 42,114,495 | — | — | (190,000) | 41,924,495 | 40,717,552 | 1,206,943 | 38,854,997 |
| CONTRIBUTIONS TO RETIREMENT FUNDS | | | | | | | | |
| Unemployment Compensation | 150,000 | — | — | — | 150,000 | 16,829 | 133,171 | 11,023 |
| Pensions and Annuities—City | 9,623,640 | — | — | — | 9,623,640 | 11,447,564 | (1,823,924) | 9,629,544 |
| Pensions and Annuities—County | 780,000 | — | — | — | 780,000 | 790,630 | (10,630) | 794,478 |
| State-Boston Retirement System | 127,663,092 | — | — | — | 127,663,092 | 130,497,749 | (2,834,657) | 131,813,863 |
| Activity Total | 138,216,732 | — | — | — | 138,216,732 | 142,752,772 | (4,536,040) | 142,248,908 |
| DEBT REQUIREMENTS | | | | | | | | |
| Minibonds | 4,790,300 | — | — | — | 4,790,300 | 4,790,300 | — | 1,030,000 |
| Redemption of City Loans | 46,650,000 | — | (1,500,000) | — | 45,150,000 | 45,150,000 | — | 44,565,000 |
| City Debt and Interest Payments | 32,874,679 | — | (723,000) | — | 32,151,679 | 32,151,679 | — | 36,663,408 |
| Interest on Temporary Loans | 500,000 | — | — | — | 500,000 | 500,000 | — | 2,991,778 |
| Interest on Refunded Taxes | 15,000 | — | — | — | 15,000 | — | 15,000 | — |
| Activity Total | 84,829,979 | — | (2,223,000) | — | 82,606,979 | 82,591,979 | 15,000 | 85,250,185 |

Exhibit A-4
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL FUND
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES
Compared to Budget (Non-GAAP Budgetary Basis)
Fiscal Year Ended June 30, 1988
(with comparative totals for fiscal year ended June 30, 1987)

1988

| Budget Title | 1988 | | | | | | Variance Favorable (Unfavorable) | 1987 Actual |
|---|--------------------|---------------|--------------------------|----------------------|-----------------|-----------------|--|-----------------|
| | Original Budget | Supplementals | Mayoral Reallocations | Other Adjustments | Final Budget | Actual | | |
| STATE AND DISTRICT ASSESSMENTS | | | | | | | | |
| State Exam of Retirement | \$ 181,470 | — | — | — | \$ 181,470 | \$ 181,470 | — | \$ 83,430 |
| Health Insurance/Retirement | 675,722 | — | — | — | 675,722 | 675,722 | — | 448,671 |
| Mosquito Control Projects | 66,212 | — | — | — | 66,212 | 66,212 | — | 52,731 |
| Special Education Chapter 766 | 448,920 | — | — | — | 448,920 | 478,178 | \$ (29,258) | 409,248 |
| Suffolk County Extension Service | 3,863 | — | — | — | 3,863 | — | 3,863 | — |
| Metropolitan Air Pollution Center | 110,229 | — | — | — | 110,229 | 110,229 | — | 102,208 |
| Metropolitan Area Planning | 105,811 | — | — | — | 105,811 | 105,811 | — | 102,000 |
| M.B.T.A Assessments | 44,655,336 | — | — | \$ (17,955) | 44,637,381 | 44,637,381 | — | 44,004,276 |
| M.D.C Assessments | 11,399 | — | — | — | 11,399 | 11,396 | 3 | 10,764 |
| Activity Total | 46,258,962 | — | — | (17,955) | 46,241,007 | 46,266,399 | (25,392) | 45,213,328 |
| Total Expenditures | \$1,175,801,397 | \$24,853,931 | — | \$104,350 | \$1,200,759,678 | \$1,205,434,509 | \$ (4,674,831) | \$1,121,678,345 |

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than Debt Service, Expendable Trusts or Capital Projects) that are legally restricted to expenditures for specific purposes.

Federal Revenue Sharing. Are funds provided by the U.S. Department of Treasury. For the past several years the City of Boston has used its Federal Revenue Sharing to support the Boston Police Personnel expenditures.

Jobs Training Partnership Act. Are funds received from the U.S. Department of Labor and the Commonwealth of Massachusetts for various job training programs which benefit low- and moderate-income residents of the City.

ECIA Chapter 1. This fund accounts for money received from the U.S. Department of Education to provide instruction to students from low-income households.

Neighborhood Development Fund. Accounts for loan repayments from Urban Development Action Grants which provides real estate loans to low- and moderate-income residents of the City.

Other Special Revenue. This fund accounts for an array of State, Federal and Local grant funds that support programs administered by various municipal departments.

School Lunch Program. Accounts for money received from the U.S. Department of Agriculture to provide nutritious meals for Boston Public School students.

Community Development Block Grant. Accounts for the use of grants received from the Department of Housing and Urban Development for housing, community development and social programs.

Urban Development Action Grants. Accounts for the use of grants received from the Department of Housing and Urban Development for specific housing, community development and social programs.

Boston Redevelopment Authority. Accounts for funds provided by capital projects, Community Development Block Grants, Urban Development Action Grants and the Neighborhood Development Fund. The Authority was created for the general purpose of planning, coordinating and assisting in the implementation of the revitalization and development of the Boston area.

SPECIAL REVENUE FUNDS

Exhibit B-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
SPECIAL REVENUE FUNDS
Combining Balance Sheet
JUNE 30, 1988
(with comparative totals for June 30, 1987)

| | Federal Revenue Sharing | School Lunch Program | C.D.B.G. | Urban Devlpmt. Action Grants |
|---|----------------------------|----------------------------|--------------|---------------------------------|
| ASSETS | | | | |
| Cash and Short-term Investments | — | — | \$4,457,515 | \$1,358,052 |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts: | | | | |
| Intergovernmental | — | \$2,214,566 | — | — |
| Accounts | — | — | — | — |
| Due from other funds | — | 8,543,594 | 5,390,585 | — |
| Other Assets | — | — | — | — |
| Total Assets | — | \$10,758,160 | \$9,848,100 | \$1,358,052 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Warrants and accounts payable | — | — | \$1,017,518 | \$2,327,878 |
| Accrued liabilities: | | | | |
| Other | — | \$2,571,264 | — | — |
| Due to other funds | — | — | 1,539,004 | — |
| Deferred revenue | — | — | 9,896,523 | — |
| Total Liabilities | — | 2,571,264 | 12,453,045 | 2,327,878 |
| Fund Balances: | | | | |
| Reserved for: | | | | |
| Encumbrances and continuing appropriations | — | — | 10,587,604 | 7,108,091 |
| Unreserved: | | | | |
| Designated | — | — | — | — |
| Undesignated | — | 8,186,896 | (13,192,549) | (8,077,917) |
| Total fund equity | — | 8,186,896 | (2,604,945) | (969,826) |
| Total liabilities and fund equity | — | \$10,758,160 | \$9,848,100 | \$1,358,052 |

See accompanying notes to general purpose financial statements.

Note: Certain 1987 balances have been reclassified to conform with 1988 reporting practices.

Exhibit B-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
SPECIAL REVENUE FUNDS
Combining Balance Sheet
JUNE 30, 1988
(with comparative totals for June 30, 1987)

| Job Training Partnership Act | ECIA Chapter I | Neighborhood Development | Other Special Revenue | Boston Redevelopment Authority | Totals | |
|---------------------------------|-------------------|-----------------------------|--------------------------|--------------------------------------|--------------|--------------|
| | | | | | 1988 | 1987 |
| \$2,380,187 | — | \$1,860,932 | \$8,426 | \$5,378,613 | \$15,443,725 | \$16,362,281 |
| — | \$615,084 | — | 10,698,082 | 687,945 | 14,215,677 | 11,567,892 |
| — | — | — | 2,609,311 | — | 2,609,311 | 1,954,635 |
| 384,167 | — | 1,610,764 | 31,735,512 | 2,319,903 | 49,984,525 | 48,489,363 |
| — | — | — | — | 33,831 | 33,831 | 33,831 |
| \$2,764,354 | \$615,084 | \$3,471,696 | \$45,051,331 | \$8,420,292 | \$82,287,069 | \$78,408,002 |
| | | | | | | |
| \$1,630,278 | \$745,061 | \$1,619,243 | \$7,028,539 | \$2,457,565 | \$16,826,082 | \$18,530,883 |
| — | — | — | 13,339,388 | 2,752,658 | 18,663,310 | 26,701,810 |
| 11,034 | 2,131,932 | — | — | 3,681,970 | 2,325,976 | — |
| — | — | — | 4,334,428 | — | 14,230,951 | — |
| 1,641,312 | 2,876,993 | 1,619,243 | 24,702,355 | 5,210,223 | 53,402,313 | 47,558,669 |
| | | | | | | |
| 4,366,237 | — | 894,471 | 19,545,024 | — | 42,501,427 | 43,588,332 |
| — | — | — | — | 2,233,756 | 2,233,756 | 2,232,000 |
| (3,243,195) | (2,261,909) | 957,982 | 803,952 | 976,313 | (15,580,427) | (14,970,999) |
| 1,123,042 | (2,261,909) | 1,852,453 | 20,348,976 | 3,210,069 | 28,884,756 | 30,849,333 |
| \$2,764,354 | \$ 615,084 | \$3,471,696 | \$45,051,331 | \$8,420,292 | \$82,287,069 | \$78,408,002 |

Exhibit B-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, OPERATING
TRANSFERS AND CHANGES IN FUND EQUITY
YEAR ENDED JUNE 30, 1988

| | Federal Revenue Sharing | School Lunch Program | C.D.B.G. |
|--|----------------------------|----------------------------|---------------|
| REVENUES: | | | |
| Local: | | | |
| Investment Income | \$ 28,945 | — | \$ 45,844 |
| Department | — | — | — |
| Total Local Revenues | 28,945 | — | 45,844 |
| Intergovernmental: | | | |
| Federal | 626,572 | \$11,950,032 | 22,653,821 |
| Commonwealth of Massachusetts | — | — | — |
| Total Intergovernmental | 626,572 | 11,950,032 | 22,653,821 |
| Total Revenues | 655,517 | 11,950,032 | 22,699,665 |
| EXPENDITURES: | | | |
| Current Operations: | | | |
| General Government | — | — | — |
| Public Safety | 626,250 | — | — |
| Public Works | — | — | — |
| Libraries | — | — | — |
| Parks and Recreation | — | — | — |
| Community Development | — | — | 19,190,433 |
| Human Services | — | — | 8,990 |
| Schools | — | 11,470,779 | — |
| Retirement Costs | — | — | — |
| Miscellaneous | — | — | — |
| Capital Outlays | — | — | 992,846 |
| Total Expenditures | 626,250 | 11,470,779 | 20,192,269 |
| Excess (deficiency) of Revenues over Expenditures | 29,267 | 479,253 | 2,507,396 |
| OTHER FINANCING SOURCES (USES): | | | |
| Operating Transfers from (to), net | — | — | (1,759,000) |
| Total other financing sources (uses), net | — | — | (1,759,000) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 29,267 | 479,253 | 748,396 |
| Fund Equity, Beginning of Year | (29,267) | 7,707,643 | (3,353,341) |
| Adjustment for change in fiscal year end of Boston Redevelopment Authority | — | — | — |
| Fund Equity, End of Year | — | \$8,186,896 | \$(2,604,945) |

See accompanying notes to general purpose financial statements.

Exhibit B-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, OPERATING
TRANSFERS AND CHANGES IN FUND EQUITY
YEAR ENDED JUNE 30, 1988

| Urban Devlpmt. Action Grants | Job Training Partnership Act | ECIA Chapter 1 | Neighborhood Development | Other Special Revenue | Boston Redevelopment Authority | Totals | |
|---------------------------------|---------------------------------|-------------------|-----------------------------|--------------------------|--------------------------------------|---------------|---------------|
| | | | | | | 1988 | 1987 |
| — | — | — | — | \$ 612,608 | \$ 306,658 | \$ 994,055 | \$ 786,358 |
| — | — | — | — | 17,589,089 | 2,639,603 | 20,228,692 | 10,195,725 |
| — | — | — | — | 18,201,697 | 2,946,261 | 21,222,747 | 10,982,083 |
| \$5,059,093 | \$10,472,065 | \$12,176,243 | \$1,746,521 | 6,914,844 | 59,749 | 71,658,940 | 65,381,010 |
| — | — | — | — | 21,757,564 | — | 21,757,564 | 22,163,232 |
| 5,059,093 | 10,472,065 | 12,176,243 | 1,746,521 | 28,672,408 | 59,749 | 93,416,504 | 87,544,242 |
| 5,059,093 | 10,472,065 | 12,176,243 | 1,746,521 | 46,874,105 | 3,006,010 | 114,639,251 | 98,526,325 |
| — | — | — | — | 302,883 | — | 302,883 | 1,866,340 |
| — | — | — | — | 8,008,184 | — | 8,634,434 | 15,432,105 |
| — | — | — | — | 4,845,569 | — | 4,845,569 | 232,410 |
| — | — | — | — | 1,289,211 | — | 1,289,211 | 1,107,073 |
| — | — | — | — | 3,989,282 | — | 3,989,282 | 519,160 |
| 5,685,723 | — | — | 1,881,398 | 854,359 | 3,725,374 | 31,337,287 | 18,261,369 |
| — | 11,453,246 | — | — | 1,096,960 | — | 12,559,196 | 15,015,766 |
| — | — | 14,356,690 | — | 24,934,502 | — | 50,761,971 | 49,138,236 |
| — | — | — | — | — | 204,000 | 204,000 | 204,000 |
| — | — | — | — | — | — | — | 2,125,520 |
| — | — | — | — | 851,514 | — | 1,844,360 | 2,129,459 |
| 5,685,723 | 11,453,246 | 14,356,690 | 1,881,398 | 46,172,464 | 3,929,374 | 115,768,193 | 106,031,438 |
| (626,630) | (981,181) | (2,180,447) | (134,877) | 701,641 | (923,364) | (1,128,942) | (7,505,113) |
| — | — | — | — | — | 1,321,123 | (437,877) | (393,832) |
| — | — | — | — | — | (1,321,123) | (437,877) | (393,832) |
| (626,630) | (981,181) | (2,180,447) | (134,877) | 701,641 | 397,759 | (1,566,819) | (7,898,945) |
| (343,196) | 2,104,223 | (81,462) | 1,987,330 | 19,647,335 | 3,210,069 | 30,849,334 | 38,748,277 |
| — | — | — | — | — | (397,759) | (397,759) | — |
| \$ (969,826) | \$ 1,123,042 | \$ 2,261,909 | \$ 1,852,453 | \$ 20,348,976 | \$ 3,210,069 | \$ 28,884,756 | \$ 30,849,333 |

Exhibit B-3
CITY OF BOSTON AND COUNTY OF SUFFOLK
FEDERAL REVENUE SHARING
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|---|------|-------------|
| ASSETS | | |
| Cash and short-term investments | — | \$3,610,733 |
| Total Assets | — | \$3,610,733 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | — | \$3,640,000 |
| Total liabilities | — | 3,640,000 |
| Fund Balances: | | |
| Unreserved: | | |
| Undesignated | — | (29,267) |
| Total fund equity | — | (29,267) |
| Total liabilities and fund equity | — | \$3,610,733 |

See accompanying notes to general purpose financial statements.

Exhibit B-4
CITY OF BOSTON AND COUNTY OF SUFFOLK
FEDERAL REVENUE SHARING
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|-----------|-------------|
| REVENUES: | | |
| Local: | | |
| Investment income | \$ 28,945 | — |
| Departmental and other | — | \$ 332,890 |
| Total local revenues | 28,945 | 332,890 |
| Intergovernmental: | | |
| Federal | 626,572 | 6,952,979 |
| Total intergovernmental revenues | 626,572 | 6,953,979 |
| Total revenues | 655,517 | 7,285,869 |
| EXPENDITURES: | | |
| Current operations: | | |
| Public safety | 626,250 | 8,640,000 |
| Total expenditures | 626,250 | 8,640,000 |
| Excess (deficiency) of revenues over expenditures | 29,267 | (1,354,131) |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | — | — |
| Total other financing sources (uses) net | — | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing Uses | 29,267 | (1,354,131) |
| Fund equity, beginning of year | (29,267) | 1,324,864 |
| Fund equity, end of year | — | \$ (29,267) |

See accompanying notes to general purpose financial statements.

Exhibit B-5
CITY OF BOSTON AND COUNTY OF SUFFOLK
SCHOOL LUNCH PROGRAM
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------------|--------------------|
| ASSETS: | | |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | |
| Accounts | \$ 2,214,566 | — |
| Due from other funds | 8,543,594 | \$8,728,465 |
| Total assets | <u>\$10,758,160</u> | <u>\$8,728,465</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | — | \$1,020,822 |
| Due to other funds | \$2,571,264 | — |
| Total liabilities | <u>2,571,264</u> | <u>1,020,822</u> |
| Fund Balances: | | |
| Unreserved: | | |
| Undesignated | 8,186,896 | 7,707,643 |
| Total fund equity | 8,186,896 | 7,707,643 |
| Total liabilities and fund equity | <u>\$10,758,160</u> | <u>\$8,728,465</u> |

See accompanying notes to general purpose financial statements.

Exhibit B-6
CITY OF BOSTON AND COUNTY OF SUFFOLK
SCHOOL LUNCH PROGRAM

**Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987**

| | 1988 | 1987 |
|---|--------------|--------------|
| REVENUES: | | |
| Intergovernmental: | | |
| Federal | \$11,950,032 | \$ 9,901,814 |
| Total intergovernmental revenues | 11,950,032 | 9,901,814 |
| Total revenues | 11,950,032 | 9,901,814 |
| EXPENDITURES: | | |
| Current operations: | | |
| Schools | 11,470,779 | 10,029,441 |
| Total expenditures | 11,470,779 | 10,029,441 |
| Excess (deficiency) of revenues over expenditures | 479,253 | (127,627) |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | — | — |
| Total other financing sources (uses) net | — | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 479,253 | (127,627) |
| Fund equity, beginning of year | 7,707,643 | 7,835,270 |
| Fund equity, end of year | \$ 8,186,896 | \$7,707,643 |

See accompanying notes to general purpose financial statements.

Exhibit B-7
CITY OF BOSTON AND COUNTY OF SUFFOLK
COMMUNITY BLOCK GRANT
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$4,457,515 | \$2,303,205 |
| Due from other funds | 5,390,585 | 1,998,251 |
| Total assets | <u>\$9,848,100</u> | <u>\$4,301,456</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 1,017,518 | \$ 1,398,090 |
| Accrued liabilities: | | |
| Other | — | 5,100,000 |
| Due to other funds | 1,539,004 | 1,156,707 |
| Deferred revenue | 9,896,523 | — |
| Total liabilities | <u>12,453,045</u> | <u>7,654,797</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 10,587,604 | — |
| Unreserved: | | |
| Undesignated | (13,192,549) | (3,353,341) |
| Total fund equity | <u>(2,604,945)</u> | <u>(3,353,341)</u> |
| Total liabilities and fund equity | <u>\$9,848,100</u> | <u>\$4,301,456</u> |

See accompanying notes to general purpose financial statements.

Exhibit B-8
CITY OF BOSTON AND COUNTY OF SUFFOLK
COMMUNITY DEVELOPMENT BLOCK GRANT
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------|---------------|
| REVENUES: | | |
| Local: | | |
| Investment income | \$ 45,844 | — |
| Other | — | \$ 146,809 |
| Total local revenues | 45,844 | 146,809 |
| Intergovernmental: | | |
| Federal | 22,653,821 | 13,270,396 |
| Total intergovernmental revenues | 22,653,821 | 13,270,396 |
| Total revenues | 22,699,665 | 13,417,205 |
| EXPENDITURES: | | |
| Current operations: | | |
| Community development | 19,190,433 | 12,456,374 |
| Human services | 8,990 | 421,053 |
| Capital outlays | 992,846 | 347,980 |
| Total expenditures | 20,192,269 | 13,225,407 |
| Excess (deficiency) of revenues over expenditures | 2,507,396 | 191,798 |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | (1,759,000) | — |
| Total other financing sources (uses), net | (1,759,000) | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 748,396 | 191,798 |
| Fund equity, beginning of year | (3,353,341) | (3,545,139) |
| Fund equity, end of year | \$(2,604,945) | \$(3,353,341) |

See accompanying notes to general purpose financial statements.

Exhibit B-9
CITY OF BOSTON AND COUNTY OF SUFFOLK
URBAN DEVELOPMENT ACTION GRANTS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 1,358,052 | \$1,284,682 |
| Total assets | <u>\$ 1,358,052</u> | <u>\$1,284,682</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 2,327,878 | \$1,627,878 |
| Total liabilities | <u>2,327,878</u> | <u>1,627,878</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances | 7,108,091 | — |
| Unreserved: | | |
| Undesignated | (8,077,917) | (343,196) |
| Total fund equity | <u>(969,826)</u> | <u>(343,196)</u> |
| Total liabilities and fund equity | <u>\$ 1,358,052</u> | <u>\$1,284,682</u> |

See accompanying notes to general purpose financial statements.

Exhibit B-10
CITY OF BOSTON AND COUNTY OF SUFFOLK
URBAN DEVELOPMENT ACTION GRANTS
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------|--------------|
| REVENUES: | | |
| Intergovernmental: | | |
| Federal | \$5,059,093 | \$2,851,412 |
| Total intergovernmental revenues | 5,059,093 | 2,851,412 |
| Total revenues | 5,059,093 | 2,851,412 |
| EXPENDITURES: | | |
| Current operations: | | |
| Community development | 5,685,723 | 1,587,408 |
| Total expenditures | 5,685,723 | 1,587,408 |
| Excess (deficiency) of revenues over expenditures | (626,630) | 1,264,004 |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net. | — | — |
| Total other financing sources (uses) net | — | — |
| Excess (deficiency) of revenues and other financing | | |
| sources over expenditures and other financing uses | (626,630) | 1,264,004 |
| Fund equity, beginning of year | (343,196) | (1,607,200) |
| Fund equity, end of year | \$ (969,826) | \$ (343,196) |

See accompanying notes to general purpose financial statements.

Exhibit B-11
CITY OF BOSTON AND COUNTY OF SUFFOLK
JOBS TRAINING PARTNERSHIP ACT
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$2,380,187 | \$1,845,521 |
| Due from other funds | 384,167 | 1,426,877 |
| Total assets | <u>\$2,764,354</u> | <u>\$3,272,398</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$1,630,278 | \$378,547 |
| Accrued liabilities: | | |
| Other | — | 789,628 |
| Due to other funds | 11,034 | — |
| Total liabilities | <u>1,641,312</u> | <u>1,168,175</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 4,366,237 | 2,104,223 |
| Unreserved: | | |
| Undesignated | (3,243,195) | — |
| Total fund equity | <u>1,123,042</u> | <u>2,104,223</u> |
| Total liabilities and fund equity | <u>\$2,764,354</u> | <u>\$3,272,398</u> |

See accompanying notes to general purpose financial statements.

Exhibit B-12
CITY OF BOSTON AND COUNTY OF SUFFOLK
JOBS TRAINING PARTNERSHIP ACT
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------|-------------|
| REVENUES: | | |
| Intergovernmental: | | |
| Federal | \$10,472,065 | \$6,760,512 |
| Total intergovernmental revenues | 10,472,065 | 6,760,512 |
| Total revenues | 10,472,065 | 6,760,512 |
| EXPENDITURES: | | |
| Current operations: | | |
| Human services | 11,453,246 | 6,083,166 |
| Total expenditures | 11,453,246 | 6,083,166 |
| Excess (deficiency) of revenues over expenditures | (981,181) | 677,346 |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | — | — |
| Total other financing sources (uses) net | — | — |
| Excess (deficiency) of revenues and other financing | | |
| Sources over expenditures and other financing uses | (981,181) | 677,346 |
| Fund equity, beginning of year | 2,104,223 | 1,426,877 |
| Fund equity, end of year | \$1,123,042 | \$2,104,223 |

See accompanying notes to general purpose financial statements.

Exhibit B-13
CITY OF BOSTON AND COUNTY OF SUFFOLK
ECIA CHAPTER 1
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------------|--------------------|
| ASSETS | | |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | |
| Intergovernmental | \$ 615,084 | — |
| Due from other funds | — | \$1,539,653 |
| Total assets | <u>\$ 615,084</u> | <u>\$1,539,653</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 745,061 | \$1,571,534 |
| Due to other funds | 2,131,932 | 49,591 |
| Total liabilities | <u>2,876,993</u> | <u>1,621,115</u> |
| Fund Balances: | | |
| Unreserved: | | |
| Undesignated | (2,261,909) | (81,462) |
| Total fund equity | <u>(2,261,909)</u> | <u>(81,462)</u> |
| Total liabilities and fund equity | <u>\$ 615,084</u> | <u>\$1,539,653</u> |

See accompanying notes to general purpose financial statements.

Exhibit B-14
CITY OF BOSTON AND COUNTY OF SUFFOLK
ECIA CHAPTER 1
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|----------------|--------------|
| REVENUES: | | |
| Intergovernmental: | | |
| Federal | \$12,176,243 | \$14,652,998 |
| Total intergovernmental revenues | 12,176,243 | 14,652,998 |
| Total revenues | 12,176,243 | 14,652,998 |
| EXPENDITURES: | | |
| Current operations: | | |
| Schools | 14,356,690 | 14,405,585 |
| Total expenditures | 14,356,690 | 14,405,585 |
| Excess (deficiency) of revenues over expenditures | (2,180,447) | 247,413 |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | — | — |
| Total other financing sources (uses) net | — | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (2,180,447) | 247,413 |
| Fund equity, beginning of year | (81,462) | (328,875) |
| Fund equity, end of year | \$ (2,261,909) | \$ (81,462) |

See accompanying notes to general purpose financial statements.

Exhibit B-15
CITY OF BOSTON AND COUNTY OF SUFFOLK
NEIGHBORHOOD DEVELOPMENT
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$1,860,932 | \$1,939,527 |
| Due from other funds | 1,610,764 | 2,556,008 |
| Total assets | <u>3,471,696</u> | <u>\$4,495,535</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$1,619,243 | \$1,635,265 |
| Accrued liabilities: | | |
| Other | — | 872,940 |
| Total liabilities | <u>1,619,243</u> | <u>2,508,205</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 894,471 | 1,987,330 |
| Unreserved: | | |
| Undesignated | 957,982 | — |
| Total fund equity | <u>1,852,453</u> | <u>1,987,330</u> |
| Total liabilities and fund equity | <u>\$3,471,696</u> | <u>\$4,495,535</u> |

See accompanying notes to general purpose financial statements.

Exhibit B-16
CITY OF BOSTON AND COUNTY OF SUFFOLK
NEIGHBORHOOD DEVELOPMENT
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|-------------|-------------|
| REVENUES: | | |
| Intergovernmental: | | |
| Federal | \$1,746,521 | \$1,135,949 |
| Total intergovernmental revenues | 1,746,521 | 1,135,949 |
| Total revenues | 1,746,521 | 1,135,949 |
| EXPENDITURES: | | |
| Current operations: | | |
| Community development | 1,881,398 | 1,635,265 |
| Total expenditures | 1,881,398 | 1,635,265 |
| Excess (deficiency) of revenues over expenditures | (134,877) | (499,316) |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | — | — |
| Total other financing sources (uses) net | — | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (134,877) | (499,316) |
| Fund equity, beginning of year | 1,987,330 | 2,486,646 |
| Fund equity, end of year | \$1,852,453 | \$1,987,330 |

See accompanying notes to general purpose financial statements.

Exhibit B-17
CITY OF BOSTON AND COUNTY OF SUFFOLK
OTHER SPECIAL REVENUE
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 8,426 | — |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | |
| Intergovernmental | 10,698,082 | \$10,879,947 |
| Accounts | 2,609,311 | 1,954,635 |
| Due from other funds | 31,735,512 | 29,920,206 |
| Total assets | <u>\$45,051,331</u> | <u>\$42,754,788</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 7,028,539 | \$ 4,801,192 |
| Accrued liabilities: | | |
| Other | 13,339,388 | 17,186,584 |
| Due to other funds | — | 1,119,678 |
| Deferred revenue | 4,334,428 | — |
| Total liabilities | <u>24,702,355</u> | <u>23,107,454</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 19,545,024 | 19,647,334 |
| Unreserved: | | |
| Undesignated | 803,952 | — |
| Total fund equity | <u>20,348,976</u> | <u>19,647,334</u> |
| Total liabilities and fund equity | <u>\$45,051,331</u> | <u>\$42,754,788</u> |

See accompanying notes to general purpose financial statements.

Exhibit B-18
CITY OF BOSTON AND COUNTY OF SUFFOLK
OTHER SPECIAL REVENUE

**Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987**

| | 1988 | 1987 |
|---|--------------|--------------|
| REVENUES: | | |
| Local: | | |
| Investment income | \$ 612,608 | — |
| Departmental | 17,589,089 | \$ 8,877,246 |
| Total local revenues | 18,201,697 | 8,877,246 |
| Intergovernmental: | | |
| Federal | 6,914,844 | 9,795,201 |
| Commonwealth of Massachusetts | 21,757,564 | 22,163,232 |
| Total intergovernmental revenues | 28,672,408 | 31,958,433 |
| Total revenues | 46,874,105 | 40,835,679 |
| EXPENDITURES: | | |
| Current operations: | | |
| General government | 302,882 | 1,866,340 |
| Public safety | 8,008,184 | 6,792,105 |
| Public Works | 4,845,569 | 232,410 |
| Library | 1,289,211 | 1,107,073 |
| Parks and Recreation | 3,989,282 | 519,160 |
| Community Development | 854,359 | 178,071 |
| Human Services | 1,096,960 | 8,511,547 |
| Schools | 24,934,502 | 24,703,210 |
| Miscellaneous | — | 2,125,519 |
| Capital outlays | 851,514 | 1,781,479 |
| Total expenditures | 46,172,464 | 47,816,914 |
| Excess (deficiency) of revenues over expenditures | 701,641 | (6,981,235) |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | — | (1,714,954) |
| Total other financing sources (uses) net | — | (1,714,954) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 701,641 | (8,696,189) |
| Fund equity, beginning of year | 19,647,335 | 28,343,523 |
| Fund equity, end of year | \$20,348,976 | \$19,647,334 |

See accompanying notes to general purpose financial statements.

Exhibit B-19
CITY OF BOSTON AND COUNTY OF SUFFOLK
BOSTON REDEVELOPMENT AUTHORITY
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$5,378,613 | \$5,378,613 |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | |
| Intergovernmental | 687,945 | 687,945 |
| Due from other funds | 2,319,903 | 2,319,903 |
| Other assets | 33,831 | 33,831 |
| Total assets | <u>\$8,420,292</u> | <u>\$8,420,292</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$2,457,565 | \$2,457,565 |
| Accrued liabilities | 2,752,658 | 2,752,658 |
| Total liabilities | <u>5,210,223</u> | <u>5,210,223</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Designated | 2,233,756 | 2,233,756 |
| Unreserved: | | |
| Undesignated | 976,323 | 976,313 |
| Total fund equity | <u>3,210,069</u> | <u>3,210,069</u> |
| Total liabilities and fund equity | <u>\$8,420,292</u> | <u>\$8,420,292</u> |

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.

Exhibit B-20
CITY OF BOSTON AND COUNTY OF SUFFOLK
BOSTON REDEVELOPMENT AUTHORITY
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|-------------|-------------|
| REVENUES: | | |
| Local: | | |
| Investment income | \$ 306,658 | \$ 306,658 |
| Departmental | 2,639,603 | 1,318,480 |
| Total local revenues | 2,946,261 | 1,625,138 |
| Intergovernmental: | | |
| Federal | 59,749 | 59,749 |
| Total intergovernmental revenues | 59,749 | 59,749 |
| Total revenues | 3,006,010 | 1,684,887 |
| EXPENDITURES: | | |
| Current operations: | | |
| Community development | 3,725,374 | 2,404,251 |
| Retirement costs | 204,000 | 204,000 |
| Total expenditures | 3,929,374 | 2,608,251 |
| Excess (deficiency) of revenues over expenditures | (923,364) | (923,364) |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | 1,321,123 | 1,321,123 |
| Total other financing sources (uses) net | 1,321,123 | 1,321,123 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 397,759 | 397,759 |
| Fund equity, beginning of year | 3,210,069 | 2,812,310 |
| Adjustment for change in fiscal year of BRA (Note 3) | (397,759) | — |
| Fund equity, end of year | \$3,210,069 | \$3,210,069 |

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.

DEBT SERVICE FUNDS

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, interest and related costs.

Exhibit C-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
DEBT SERVICE FUND
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|----------------------|----------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 41,231,597 | \$ 39,353,104 |
| Other investments | 74,214,265 | 65,253,003 |
| Receivables (net, where applicable, of allowances for estimated collectible amounts): | | |
| Due from other funds | 2,929,073 | 4,100,468 |
| Total assets | <u>\$118,374,935</u> | <u>\$108,706,575</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Matured interest and bonds payable | \$ 3,496,852 | \$ 3,096,314 |
| Due to other funds | 169,000 | — |
| Total liabilities | <u>3,665,852</u> | <u>3,096,314</u> |
| Fund Balances | | |
| Reserved for: | | |
| Debt service | 114,709,083 | 105,610,261 |
| Total fund equity | <u>114,709,083</u> | <u>105,610,261</u> |
| Total liabilities and fund equity | <u>\$118,374,935</u> | <u>\$108,706,575</u> |

See accompanying notes of general purpose financial statements.

Exhibit C-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
DEBT SERVICE FUND
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------|---------------|
| REVENUES: | | |
| Local: | | |
| Designated excises | \$ 6,624,439 | \$ 17,137,049 |
| Investment income | 2,848,803 | 1,685,701 |
| Total local revenues | 9,473,242 | 18,822,750 |
| Intergovernmental: | | |
| Other | 1,272,314 | 1,317,768 |
| Total intergovernmental revenues | 1,272,314 | 1,317,768 |
| Total revenues | 10,745,556 | 20,140,518 |
| EXPENDITURES: | | |
| Current operations: | | |
| Principal retirement | 50,702,028 | 48,623,593 |
| Interest | 35,035,093 | 37,356,650 |
| Total expenditures | 85,737,121 | 85,980,244 |
| Excess (deficiency) of revenues over expenditures | (74,991,565) | (65,839,726) |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers from (to): | | |
| Special revenue / capital projects funds | 9,056,262 | 57,424,504 |
| General fund | 75,034,124 | 79,286,429 |
| Total other financing sources (uses), net | 84,090,386 | 136,710,933 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 9,098,821 | 70,871,207 |
| Fund equity, beginning of year | 105,610,262 | 34,739,055 |
| Fund equity, end of year | \$114,709,083 | \$105,610,262 |

See accompanying notes of general purpose financial statements.

CAPITAL PROJECTS FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds). Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

Departmental Equipment. used to account for capital equipment provided to all City departments ranging from computer hardware to fire trucks and snow plows.

School Projects. used to account for the construction, renovation and repairs to all of Boston's school buildings.

Public Buildings. used to account for the construction, renovation, and repairs to all City owned buildings.

Hospital Department. used to account for the construction, renovation and repairs to Boston City Hospital and its affiliates.

Urban and Economic Development. used to account for the construction, renovation and/or rehabilitation to buildings or structures approved by the City's Planning Board.

Parks and Recreation. used to account for the design and construction of parks, and playgrounds and recreational facilities as well as the maintenance and preservation of historic park areas and cemeteries.

Parking Facilities. used to account for the construction and repair to off-street parking areas throughout Boston.

Public Works. used to account for the construction, maintenance and repair of public works projects such as bridges, street lighting, sidewalks, water mains and sewer drainage.

Chapter 90 Public Ways. used to account for the design, engineering, construction and re-construction of major roadways, streets and sidewalks.

Trust Funds. used to account for those monies authorized for specific capital purposes, such as park maintenance, as designated by each trust.

Other Capital Projects. used to account for other miscellaneous sources and expenditures for various capital projects.

Boston Redevelopment Authority. used to account for funds specifically designated for the substantial redevelopment of Boston from the downtown financial and governmental district core to inner-city neighborhoods.

CAPITAL PROJECT FUNDS

Exhibit D-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative amounts for June 30, 1987)

| | Departmental Equipment | School Projects | Public Buildings |
|--|---------------------------|--------------------|---------------------|
| ASSETS | | | |
| Cash and short-term investments | \$(2,741,794) | \$8,462,898 | \$24,751,870 |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | | |
| Intergovernmental | — | — | — |
| Accounts | — | — | — |
| Notes | — | — | — |
| Due from other funds | — | — | — |
| Other Assets | — | — | — |
| Total Assets | \$(2,741,794) | \$8,462,898 | \$24,751,870 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Warrants and accounts payable | \$ 5,790 | \$ 1,811,592 | \$ 2,093,316 |
| Accrued liabilities: | | | |
| Judgments and claims | — | — | — |
| Other | — | — | — |
| Intergovernmental | — | — | — |
| Due to other funds | — | — | — |
| Demand note payable | — | — | — |
| Deferred revenue | — | — | — |
| Total Liabilities | 5,790 | 1,811,592 | 2,093,316 |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances and continuing appropriations . . . | 824,719 | 20,416,507 | 29,110,440 |
| Unreserved: | | | |
| Undesignated | (3,572,303) | (13,765,201) | (6,451,886) |
| Total fund equity | (2,747,584) | 6,651,306 | 22,658,554 |
| Total liabilities and fund equity | \$(2,741,794) | \$ 8,462,898 | \$24,751,870 |

See accompanying notes to general purpose financial statements.

Exhibit D-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative amounts for June 30, 1987)

| Hospital Department | Urban and Economic Development | Parks and Recreation | Parking Facilities |
|------------------------|--------------------------------------|-------------------------|-----------------------|
| \$5,178,210 | \$10,662,903 | \$1,104,252 | \$488,955 |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| <u>\$5,178,210</u> | <u>\$10,662,903</u> | <u>\$1,104,252</u> | <u>\$488,955</u> |
| | | | |
| \$ 606,300 | — | \$ 400,414 | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| — | — | — | — |
| <u>606,300</u> | <u>—</u> | <u>400,414</u> | <u>—</u> |
| | | | |
| 2,633,214 | 3,546,730 | 5,429,044 | — |
| 1,938,696 | 7,116,173 | (4,725,206) | 488,955 |
| 4,571,910 | 10,662,903 | 703,838 | 488,955 |
| <u>\$5,178,210</u> | <u>\$10,662,903</u> | <u>\$1,104,252</u> | <u>\$488,955</u> |

Exhibit D-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative amounts for June 30, 1987)

| | Public Works | Chapter 90 Public Ways | Trust Fund |
|--|---------------------|---------------------------|--------------------|
| ASSETS | | | |
| Cash and short-term investments | \$4,546,525 | \$(1,335,277) | \$ (97,385) |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | | |
| Intergovernmental | — | 1,668,153 | — |
| Accounts | — | — | — |
| Notes | — | — | — |
| Due from other funds | — | — | — |
| Other Assets | — | — | — |
| Total Assets | \$ 4,546,525 | \$ 332,876 | \$ (97,385) |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Warrants and accounts payable | \$2,311,307 | \$ 474,295 | \$ 84,299 |
| Accrued liabilities: | | | |
| Judgments and claims | — | — | — |
| Other | — | — | — |
| Intergovernmental | — | — | — |
| Due to other funds | — | — | — |
| Demand note payable | — | — | — |
| Deferred revenue | — | — | — |
| Total Liabilities | 2,311,307 | 474,295 | 84,299 |
| Fund Balances | | | |
| Reserved for: | | | |
| Encumbrances and continuing appropriations. . . . | 11,609,956 | 1,637,757 | 47,935 |
| Unreserved: | | | |
| Undesignated | (9,374,734) | (1,779,176) | (229,619) |
| Total fund equity | 2,235,218 | (141,419) | (181,684) |
| Total Liabilities and Fund Equity | \$ 4,546,525 | \$ 332,876 | \$ (97,385) |

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.

Exhibit D-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative amounts for June 30, 1987)

| Other Capital Projects | Boston Redevelopment Authority | Totals | |
|---------------------------|--------------------------------------|--------------|---------------|
| | | 1988 | 1987 |
| \$11,398,500 | \$21,118,531 | \$83,538,188 | \$159,823,115 |
| — | 6,274,091 | 7,942,244 | 7,766,375 |
| — | 195,087 | 195,087 | 163,125 |
| — | 3,713,800 | 3,713,800 | 3,713,800 |
| 2,573,973 | — | 2,573,973 | 1,109,729 |
| — | 110,000 | 110,000 | 110,000 |
| \$13,972,473 | \$31,411,509 | \$98,073,292 | \$172,686,143 |
| <hr/> | | | |
| \$ 1,413,737 | | \$ 9,201,050 | \$ 5,095,670 |
| — | \$ 2,114,900 | 2,114,900 | 2,114,900 |
| — | 6,523,015 | 6,523,015 | 6,523,015 |
| 112,701 | — | 112,701 | 112,701 |
| 1,545,518 02 | 2,109,501 | 3,655,019 | 23,611,355 |
| 168,625 | — | 168,625 | 5,871,650 |
| — | 31,962 | 31,962 | — |
| 3,240,581 | 10,779,378 | 21,807,272 | 43,329,291 |
| <hr/> | | | |
| 9,331,498 | — | 84,587,800 | 55,724,000 |
| 1,400,394 | 20,632,131 | (8,321,780) | 73,632,852 |
| 10,731,892 | 20,632,131 | 76,266,020 | 129,356,852 |
| \$13,972,473 | \$31,411,509 | \$98,073,292 | \$172,686,143 |

Exhibit D-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Year Ended June 30, 1988

| | Departmental Equipment | School Projects | Public Buildings |
|--|---------------------------|--------------------|---------------------|
| REVENUES: | | | |
| Departmental and other | — | \$ 2,110,212 | \$ 2,608,898 |
| Investment income | — | — | — |
| Intergovernmental: | | | |
| Federal | — | — | — |
| State | — | — | — |
| Total revenues | — | 2,110,212 | 2,608,898 |
| EXPENDITURES: | | | |
| Retirement Costs | — | — | — |
| Debt Service | — | — | — |
| Capital outlays | \$19,729,818 | 10,588,227 | 23,939,603 |
| Total Expenditures | 19,729,818 | 10,588,227 | 23,939,603 |
| Excess (deficiency) of revenues over expendi- tures | (19,729,818) | (8,478,015) | (21,330,705) |
| OTHER FINANCING SOURCES (USES): | | | |
| Proceeds of debt | 23,590,000 | — | — |
| Operating transfers in (out), net | (9,056,262) | — | — |
| Total other financing sources (uses) net | 14,533,738 | — | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (5,196,080) | (8,478,015) | (21,330,705) |
| Fund equity, beginning of year | 2,448,496 | 15,129,321 | 43,989,259 |
| Adjustment for change in fiscal year end for BRA .. | — | — | — |
| Fund equity, end of year | \$ (2,747,584) | \$ 6,651,306 | \$22,685,554 |

See accompanying notes to general purpose financial statements.

Exhibit D-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Year Ended June 30, 1988

| Hospital Department | Urban and Economic Development | Parks and Recreation | Parking Facilities |
|------------------------|--------------------------------------|-------------------------|-----------------------|
| \$ 78,156 | \$(1,897,999) | \$ 314,859 | — |
| — | — | — | — |
| — | — | — | — |
| — | 1,897,999 | 3,308,296 | — |
| 78,156 | — | 3,623,155 | — |
| — | — | — | — |
| — | — | — | — |
| 1,745,028 | 3,871,039 | 5,755,140 | — |
| 1,745,028 | 3,871,039 | 5,755,140 | — |
| (1,666,872) | (3,871,039) | (2,131,985) | — |
| — | — | — | — |
| (1,341,083) | — | — | — |
| (1,341,083) | — | — | — |
| (3,007,955) | (3,871,039) | (2,131,985) | — |
| 7,579,865 | 14,533,942 | 2,835,942 | 488,955 |
| — | — | — | — |
| \$ 4,571,910 | \$10,662,903 | \$ 703,838 | \$ 488,955 |

Exhibit D-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
June 30, 1988

| | Public Works | Chapter 90 Public Ways | Trust Fund |
|--|-----------------|---------------------------|---------------|
| REVENUES: | | | |
| Departmental and other | \$ 1,417,414 | \$ 357,986 | \$ 95,081 |
| Investment income | — | — | — |
| Intergovernmental: | | | |
| Federal | — | — | — |
| State | — | 175,869 | — |
| Total revenues | 1,417,414 | 533,855 | 95,081 |
| EXPENDITURES: | | | |
| Retirement Costs | — | — | — |
| Debt Service | — | — | — |
| Capital outlays | 17,051,453 | 4,632,727 | 303,023 |
| Total Expenditures | 17,051,453 | 4,632,727 | 303,023 |
| Excess (deficiency) of revenues over expenditures .. | (15,634,039) | (4,098,872) | (207,942) |
| OTHER FINANCING SOURCES (USES): | | | |
| Proceeds of debt | — | — | — |
| Operating transfers in (out), net | — | — | — |
| Total other financing sources (uses) net | — | — | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (15,634,039) | (4,098,872) | (207,942) |
| Fund equity, beginning of year | 17,869,257 | 3,957,453 | 26,258 |
| Adjustment for change in fiscal year end for BRA .. | — | — | — |
| Fund equity, end of year | \$ 2,235,218 | \$ (141,419) | \$ (181,684) |

See accompanying notes to general purpose financial statements.

Exhibit D-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
June 30, 1988

| Other Capital Projects | Boston Redevelopment Authority | Total | |
|---------------------------|--------------------------------------|--------------|---------------|
| | | 1988 | 1987 |
| \$10,378,535 | \$13,348,475 | \$28,811,617 | \$14,310,683 |
| — | 1,504,389 | 1,504,389 | 1,504,398 |
| — | 2,997,951 | 2,997,951 | 470,430 |
| — | — | 5,382,164 | 3,739,050 |
| 10,378,535 | 17,850,815 | 38,696,121 | 20,024,552 |
| — | 1,361,000 | 1,361,000 | 1,361,210 |
| \$47,026 | — | 47,026 | 432,989 |
| (534,291) | 18,995,945 | 106,077,712 | 54,842,507 |
| (487,265) | 20,356,945 | 107,485,738 | 56,636,706 |
| 10,865,800 | (2,506,130) | (68,789,617) | (36,612,154) |
| — | — | 23,590,000 | — |
| — | 2,544,877 | (7,852,468) | 798,646 |
| — | 2,544,877 | (7,852,468) | 798,647 |
| 10,865,800 | 38,747 | (53,052,885) | (35,813,976) |
| (133,908) | 20,593,384 | 129,357,393 | 165,170,144 |
| — | — | (39,162) | — |
| \$10,731,892 | \$20,632,131 | \$76,266,146 | \$129,356,168 |

Exhibit D-3
CITY OF BOSTON AND COUNTY OF SUFFOLK
DEPARTMENTAL EQUIPMENT
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|----------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$(2,741,794) | \$2,448,496 |
| Total assets | <u>\$(2,741,794)</u> | <u>\$2,448,496</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 5,790 | — |
| Total liabilities | <u>5,790</u> | <u>—</u> |
| Fund Balances | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 824,719 | 2,168,602 |
| Unreserved: | | |
| Undesignated | (3,572,303) | 279,894 |
| Total fund equity | <u>(2,747,584)</u> | <u>2,448,496</u> |
| Total liabilities and fund equity | <u>\$(2,741,794)</u> | <u>\$2,448,496</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-4
CITY OF BOSTON AND COUNTY OF SUFFOLK
DEPARTMENTAL EQUIPMENT
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------|--------------|
| EXPENDITURES: | | |
| Capital outlays | \$19,729,818 | \$ 3,216,296 |
| Total expenditures | 19,729,818 | 3,216,296 |
| Excess (deficiency) of revenues over expenditures | (19,729,818) | (3,216,296) |
| OTHER FINANCING SOURCES (USES): | | |
| Proceeds of debt | 23,590,000 | — |
| Operating transfers in (out), net | (9,056,262) | — |
| Total other financing sources (uses), net | 14,533,738 | — |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | (5,196,080) | (3,216,296) |
| Fund equity, beginning of year | 2,448,496 | 5,664,792 |
| Fund Equity, end of year | \$(2,747,584) | \$2,448,496 |

See accompanying notes to general purpose financial statements.

Exhibit D-5
CITY OF BOSTON AND COUNTY OF SUFFOLK
SCHOOL PROJECTS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 8,462,898 | \$20,300,501 |
| Total assets | <u>\$ 8,462,898</u> | <u>\$20,300,501</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 1,811,592 | \$ 220,033 |
| Total liabilities | <u>1,811,592</u> | <u>220,033</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 20,416,507 | 2,844,679 |
| Unreserved: | | |
| Undesignated | <u>(13,765,201)</u> | <u>17,235,789</u> |
| Total fund equity | <u>6,651,306</u> | <u>20,080,468</u> |
| Total liabilities and fund equity | <u>\$8,462,898</u> | <u>\$20,300,501</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-6
CITY OF BOSTON AND COUNTY OF SUFFOLK
SCHOOL PROJECTS
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------|---------------------|
| REVENUES: | | |
| Local | \$ 2,110,212 | — |
| Total revenues | <u>2,110,212</u> | <u>—</u> |
| EXPENDITURES: | | |
| Capital outlays | 10,588,227 | \$ 4,884,099 |
| Total expenditures | <u>10,588,227</u> | <u>4,884,099</u> |
| Excess (deficiency) of revenues over expenditures | (8,478,015) | (4,884,099) |
| Fund equity, beginning of year | 15,129,321 | 20,013,420 |
| Fund equity, end of year | <u>\$ 6,651,306</u> | <u>\$15,129,321</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-7
CITY OF BOSTON AND COUNTY OF SUFFOLK
PUBLIC BUILDINGS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and short-term investments | \$24,751,870 | \$46,230,552 |
| Total assets | <u>\$24,751,870</u> | <u>\$46,230,552</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$2,093,316 | 827,142 |
| Total liabilities | <u>2,093,316</u> | <u>827,142</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 29,110,440 | 26,907,754 |
| Unreserved: | | |
| Undesignated | (6,451,886) | 18,495,656 |
| Total fund equity | <u>22,658,554</u> | <u>45,403,410</u> |
| Total liabilities and fund equity | <u>\$24,751,870</u> | <u>\$46,230,552</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-8
CITY OF BOSTON AND COUNTY OF SUFFOLK
PUBLIC BUILDINGS
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|----------------------|---------------------|
| REVENUES: | | |
| Local | \$ 2,608,898 | \$ 308,576 |
| Total revenues | <u>2,608,898</u> | <u>\$ 308,576</u> |
| EXPENDITURES: | | |
| Capital outlays | 23,939,603 | 8,410,838 |
| Total expenditures | <u>23,939,603</u> | <u>8,410,838</u> |
| Excess (deficiency) of revenues over expenditures | (21,330,705) | (8,102,262) |
| Fund equity, beginning of year | 43,989,259 | 52,091,521 |
| Fund equity, end of year | <u>\$ 22,658,554</u> | <u>\$43,989,259</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-9
CITY OF BOSTON AND COUNTY OF SUFFOLK
HOSPITAL EQUIPMENT
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$5,178,210 | \$6,801,732 |
| Total assets | <u>\$5,178,210</u> | <u>\$6,801,732</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 606,300 | \$ 831,293 |
| Total liabilities | <u>606,300</u> | <u>831,293</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 2,633,214 | 125,482 |
| Unreserved: | | |
| Undesignated | 1,938,696 | 5,844,957 |
| Total fund equity | <u>4,571,910</u> | <u>5,970,439</u> |
| Total liabilities and fund equity | <u>\$5,178,210</u> | <u>\$6,801,732</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-10
CITY OF BOSTON AND COUNTY OF SUFFOLK
HOSPITAL DEPARTMENT
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|--------------|--------------|
| REVENUES: | | |
| Local | \$ 78,156 | — |
| Total revenues | 78,156 | — |
| EXPENDITURES: | | |
| Capital outlays | 1,745,028 | \$ 1,559,769 |
| Total expenditures | 1,745,028 | 1,559,769 |
| Excess (deficiency) of revenues over expenditures | (1,666,872) | (1,559,769) |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net | (1,341,083) | (1,340,988) |
| Total other financing sources (uses) net | (1,341,083) | (1,340,988) |
| Excess (deficiency) of revenues and financing sources over expenditures and other financing uses | (3,007,955) | (2,900,757) |
| Fund equity, beginning of year | 7,579,865 | 10,480,622 |
| Fund equity, end of year | \$ 4,571,910 | \$ 7,579,865 |

See accompanying notes to general purpose financial statements.

Exhibit D-11
CITY OF BOSTON AND COUNTY OF SUFFOLK
URBAN AND ECONOMIC DEVELOPMENT
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and short-term investments | \$10,662,903 | — |
| Total assets | <u>\$10,662,903</u> | <u>—</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | — | \$ 562,193 |
| Total liabilities | <u>—</u> | <u>562,193</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 3,546,730 | 4,108,326 |
| Unreserved: | | |
| Undesignated | 7,116,173 | 9,863,423 |
| Total fund equity | <u>10,662,903</u> | <u>13,971,749</u> |
| Total liabilities and fund equity | <u>\$10,662,903</u> | <u>\$14,533,942</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-12
CITY OF BOSTON AND COUNTY OF SUFFOLK
URBAN AND ECONOMIC DEVELOPMENT
Comparative Statement of Revenues, Expenditures,
and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|----------------|--------------|
| REVENUES: | | |
| Departmental and other | \$ (1,897,999) | — |
| Intergovernmental: | | |
| State | 1,897,999 | — |
| Total revenues | — | — |
| EXPENDITURES: | | |
| Capital outlays | 3,871,039 | 5,999,676 |
| Total expenditures | 3,871,039 | 5,999,676 |
| Excess (deficiency) of revenues over expenditures | (3,871,039) | (5,999,676) |
| Fund equity, beginning of year | 14,533,942 | 20,533,618 |
| Fund equity, end of year | \$10,662,903 | \$14,533,942 |

See accompanying notes to general purpose financial statements.

Exhibit D-13
CITY OF BOSTON AND COUNTY OF SUFFOLK
PARKS AND RECREATION
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 1,104,252 | \$7,080,136 |
| Total assets | <u>\$ 1,104,252</u> | <u>\$7,080,136</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 400,414 | \$ 305,475 |
| Total liabilities | <u>400,414</u> | <u>\$ 305,475</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 5,429,044 | 4,074,227 |
| Unreserved: | | |
| Undesignated | (4,725,206) | 2,700,434 |
| Total fund equity | <u>703,838</u> | <u>6,774,661</u> |
| Total liabilities and fund equity | <u>\$ 1,104,252</u> | <u>\$7,080,136</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-14
CITY OF BOSTON AND COUNTY OF SUFFOLK
PARKS AND RECREATION
Comparative Statement of Revenues, Expenditures,
and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|-------------|-------------|
| REVENUES: | | |
| Departmental and other | \$ 314,859 | \$ 135,491 |
| Intergovernmental: | | |
| State | 3,308,296 | 277,347 |
| Total revenues | 3,623,155 | 412,838 |
| EXPENDITURES: | | |
| Capital outlays | 5,755,140 | 2,773,771 |
| Total expenditures | 5,755,140 | 2,773,771 |
| Excess (deficiency) of revenues over expenditures | (2,131,985) | (2,360,933) |
| Fund equity, beginning of year | 2,835,823 | 5,196,756 |
| Fund equity, end of year | \$ 703,838 | \$2,835,823 |

See accompanying notes to general purpose financial statements.

Exhibit D-15
CITY OF BOSTON AND COUNTY OF SUFFOLK
PARKING FACILITIES
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|---|-----------|-----------|
| ASSETS | | |
| Cash and short-term investments | \$488,955 | \$488,955 |
| Total assets | \$488,955 | \$488,955 |
| FUND BALANCES | | |
| Unreserved: | | |
| Undesignated | 488,955 | 488,955 |
| Total fund equity | 488,955 | 488,955 |
| Total liabilities and fund equity | \$488,955 | \$488,955 |

See accompanying notes to general purpose financial statements.

Exhibit D-16
CITY OF BOSTON AND COUNTY OF SUFFOLK
PARKING FACILITIES
Comparative Statement of Revenues, Expenditures,
and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|--------------------------------------|-----------|-----------|
| Fund equity, beginning of year | \$488,955 | \$488,955 |
| Fund equity, end of year | \$488,955 | \$488,955 |

See accompanying notes to general purpose financial statements.

Exhibit D-17
CITY OF BOSTON AND COUNTY OF SUFFOLK
PUBLIC WORKS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 4,546,525 | \$19,170,855 |
| Total assets | <u>\$ 4,546,525</u> | <u>\$19,170,855</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 2,311,307 | \$ 1,197,570 |
| Total liabilities | <u>2,311,307</u> | <u>1,197,570</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 11,609,956 | 10,664,128 |
| Unreserved: | | |
| Undesignated | <u>(9,374,738)</u> | <u>7,309,157</u> |
| Total fund equity | <u>2,235,218</u> | <u>17,973,285</u> |
| Total liabilities and fund equity | <u>\$ 4,546,525</u> | <u>\$19,170,855</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-18
CITY OF BOSTON AND COUNTY OF SUFFOLK
PUBLIC WORKS
Comparative Statement of Revenues, Expenditures,
and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------|---------------------|
| REVENUES: | | |
| Departmental and other | \$ 1,416,414 | \$ 17,820 |
| Intergovernmental: | | |
| State | — | 219,093 |
| Total revenues | <u>1,417,414</u> | <u>236,913</u> |
| EXPENDITURES: | | |
| Capital outlays | 17,051,453 | 7,827,276 |
| Total expenditures | <u>17,051,453</u> | <u>7,827,276</u> |
| Excess (deficiency) of revenues over expenditures | (15,634,039) | (7,590,363) |
| Fund equity, beginning of year | 17,869,257 | 25,459,620 |
| Fund equity, end of year | <u>\$ 2,235,218</u> | <u>\$17,869,257</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-19
CITY OF BOSTON AND COUNTY OF SUFFOLK
CHAPTER 90 PUBLIC WAYS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|-------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$(1,335,277) | \$2,823,155 |
| Intergovernmental | 1,668,153 | 1,492,284 |
| Total assets | <u>\$ 332,876</u> | <u>\$4,315,439</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: , | | |
| Warrants and accounts payable | \$ 474,295 | \$ 854,232 |
| Total liabilities | <u>474,295</u> | <u>854,232</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 1,637,757 | 2,776,302 |
| Unreserved: | | |
| Undesignated | (1,779,176) | 684,905 |
| Total fund equity | <u>(141,419)</u> | <u>3,461,207</u> |
| Total liabilities and fund equity | <u>\$ 332,876</u> | <u>\$4,315,439</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-20
CITY OF BOSTON AND COUNTY OF SUFFOLK
CHAPTER 90 PUBLIC WAYS
Comparative Statement of Revenues, Expenditures,
and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|--------------|-------------|
| REVENUES: | | |
| Departmental and other | \$ 357,986 | — |
| Intergovernmental: | | |
| State | 175,869 | \$3,242,610 |
| Total revenues | 533,855 | 3,242,610 |
| EXPENDITURES: | | |
| Capital outlays | 4,632,727 | 3,589,214 |
| Total expenditures | 4,632,727 | 3,589,214 |
| Excess (deficiency) of revenues over expenditures | (4,098,872) | (346,604) |
| Fund equity, beginning of year | 3,957,453 | 4,304,057 |
| Fund equity, end of year | \$ (141,419) | \$3,957,453 |

See accompanying notes to general purpose financial statements.

Exhibit D-21
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUST FUNDS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|--------------------|------------------|
| ASSETS | | |
| Cash and short-term investments | \$ (97,385) | \$121,339 |
| Total assets | <u>\$ (97,385)</u> | <u>\$121,339</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 84,299 | \$ 40,141 |
| Total liabilities | <u>84,299</u> | <u>40,141</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | 47,935 | 47,500 |
| Unreserved: | | |
| Undesignated | (229,619) | 35,698 |
| Total fund equity | <u>(181,684)</u> | <u>81,198</u> |
| Total liabilities and fund equity | <u>\$ (97,385)</u> | <u>\$121,339</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-22
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUST FUNDS

Comparative Statement of Revenues, Expenditures,
and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------------|------------------------|
| REVENUES: | | |
| Departmental and other | \$ 95,081 | \$ 68,466 |
| Total revenues | <u>95,081</u> | <u>68,466</u> |
| EXPENDITURES: | | |
| Capital outlays | 303,023 | 113,138 |
| Total expenditures | <u>303,023</u> | <u>113,138</u> |
| Excess (deficiency) of revenues over expenditures | (207,942) | (44,672) |
| Fund equity, beginning of year | <u>26,258</u> | <u>70,930</u> |
| Fund equity, end of year | <u><u>\$(181,684)</u></u> | <u><u>\$26,258</u></u> |

See accompanying notes to general purpose financial statements.

Exhibit D-23
CITY OF BOSTON AND COUNTY OF SUFFOLK
OTHER CAPITAL PROJECTS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|--|---------------------|---------------------|
| ASSETS | | |
| Cash and short-term investments | \$11,398,500 | \$18,704,922 |
| Due from other funds | 2,573,973 | 1,109,729 |
| Total assets | <u>\$13,972,473</u> | <u>\$19,814,651</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: . | | |
| Warrants and accounts payable | \$ 1,413,737 | \$ 257,591 |
| Intergovernmental | 112,701 | 112,701 |
| Due to other funds | 1,545,518 | 21,501,854 |
| Demand notes payable | <u>168,625</u> | <u>5,871,649</u> |
| Total liabilities | <u>3,240,581</u> | <u>27,743,795</u> |
| Fund Balances: | | |
| Reserved for: | | |
| Encumbrances and continuing appropriations | (1,113,468) | 2,007,000 |
| Unreserved: | | |
| Undesignated | <u>11,845,360</u> | <u>(9,936,144)</u> |
| Total fund equity | <u>10,731,892</u> | <u>(7,929,144)</u> |
| Total liabilities and fund equity | <u>\$13,972,473</u> | <u>\$19,814,651</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-24
CITY OF BOSTON AND COUNTY OF SUFFOLK
OTHER CAPITAL PROJECTS
Comparative Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------|--------------------|
| REVENUES: | | |
| Departmental and other | \$10,378,535 | \$ 432,230 |
| Total revenues | <u>10,378,535</u> | <u>432,230</u> |
| EXPENDITURES: | | |
| Debt service | 47,026 | 432,989 |
| Capital outlays | (534,291) | — |
| Total expenditures | <u>(487,265)</u> | <u>432,989</u> |
| Excess (deficiency) of revenues over expenditures | <u>10,865,800</u> | <u>(759)</u> |
| OTHER FINANCING SOURCES (USES): | | |
| Operating transfers in (out), net. | — | (405,501) |
| Total other financing sources (uses) net | <u>—</u> | <u>(405,501)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses. | 10,865,800 | (406,260) |
| Fund equity, beginning of year | (133,908) | 272,352 |
| Fund equity, end of year | <u>\$10,731,892</u> | <u>\$(133,908)</u> |

See accompanying notes to general purpose financial statements.

Exhibit D-25
CITY OF BOSTON AND COUNTY OF SUFFOLK
BOSTON REDEVELOPMENT AUTHORITY
Balance Sheet
June 30, 1987

| | 1987 |
|--|---------------------|
| ASSETS | |
| Cash and short-term investments | \$21,118,531 |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | |
| Intergovernmental | 6,274,091 |
| Accounts | 195,087 |
| Notes | 3,713,800 |
| Other assets | 110,000 |
| Total assets | <u>\$31,411,509</u> |
| LIABILITIES AND FUND BALANCES | |
| Liabilities: | |
| Accrued liabilities: | |
| Judgments and claims | \$ 2,114,900 |
| Other | 6,523,015 |
| Due to other funds | 2,109,501 |
| Deferred revenue | 31,962 |
| Total liabilities | <u>10,779,378</u> |
| Fund Balances: | |
| Unreserved: | |
| Designated | 20,632,131 |
| Total fund equity | <u>20,632,131</u> |
| Total liabilities and fund equity | <u>\$31,411,509</u> |

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.

Exhibit D-26
CITY OF BOSTON AND COUNTY OF SUFFOLK
BOSTON REDEVELOPMENT AUTHORITY
Statement of Revenues, Expenditures,
Operating Transfers and Changes in Fund Equity
June 30, 1987

1987

REVENUES:

| | |
|---------------------------------|-------------------|
| Departmental and other. | \$13,348,475 |
| Investment income | 1,504,398 |
| Intergovernmental: | |
| Federal. | 2,997,951 |
| Total revenues | <u>17,850,815</u> |

EXPENDITURES:

| | |
|---|--------------------|
| Retirement Costs. | 1,361,000 |
| Capital outlays | <u>18,995,945</u> |
| Total expenditures | <u>20,356,945</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,506,130)</u> |

OTHER FINANCING SOURCES (USES):

| | |
|---|----------------------------|
| Proceeds of debt | |
| Operating transfers in (out), net | <u>2,544,877</u> |
| Total other financing sources (uses) net. | <u>2,544,877</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | 38,747 |
| Fund equity, beginning of year. | 20,593,384 |
| Adjustment for change in fiscal year end for BRA | <u>(39,162)</u> |
| Fund equity, end of year | <u><u>\$20,632,131</u></u> |

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.

ENTERPRISE FUNDS

These funds are used to account for activities operated in a manner similar to private business enterprise or where periodic determination of revenues, expenses and net income is needed.

Department of Health and Hospitals is the principal provider in the City of acute hospital care for the indigent and other government-assisted patients. The Department of Health and Hospitals is comprised of Boston City Hospital, Long Island Hospital, and Mattapan Hospital, which principally serve persons with chronic diseases.

Trustees of Health and Hospitals is a non-profit corporation established in 1965 by legislative enactment of the Commonwealth of Massachusetts. The Trustees principal activities are the financial administration of numerous grants and contracts, community health programs and medical research, primarily under the sponsorship of federal, state and city agencies.

Economic Development Industrial Corporation is a quasi-public agency of the City of Boston and an instrumentality of the state, whose purpose is to create and retain industrial companies and jobs through economic development, industrial real estate management, financing, and job training.

Exhibit E-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
ENTERPRISE FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative totals for June 30, 1987)

| | Department of Health and Hospitals | Trustee of Health and Hospitals | Economic Development Industrial Corporation | Eliminations | Totals | |
|---|--|---------------------------------------|--|----------------------|----------------------|----------------------|
| | | | | | 1988 | 1987 |
| ASSETS | | | | | | |
| Cash and short-term investments | \$ 3,829,508 | \$ 2,801,527 | \$ 1,220,948 | — | \$ 7,851,983 | \$ 10,692,992 |
| Receivables (net, where applicable, of al- lowances for estimated uncollectible amounts): | | | | | | |
| Intergovernmental | — | — | 1,387,570 | — | 1,387,570 | 2,265,280 |
| Accounts | 44,237,610 | 7,519,473 | 460,080 | — | 52,217,163 | 79,999,797 |
| Due from other funds | 64,223,198 | — | — | (2,859,210) | 61,363,988 | 59,220,590 |
| Loans | — | — | 16,981,213 | — | 16,981,213 | 17,224,941 |
| Inventories | 1,652,956 | — | — | — | 1,652,956 | 1,468,497 |
| Other Assets | — | 79,222 | 3,529,223 | — | 3,608,445 | 3,912,096 |
| Property, plant and equipment (Net of accumulated depreciation) | 72,974,515 | 156,049 | 15,801,940 | — | 88,932,504 | 89,042,950 |
| Total Assets | \$186,917,787 | \$10,556,271 | \$39,380,974 | (2,859,210) | \$233,995,822 | \$263,827,143 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Warrants and accounts payable | \$ 18,697,450 | \$ 1,081,941 | \$ 2,119,742 | — | \$ 21,899,133 | \$ 12,879,067 |
| Accrued liabilities: | | | | | | |
| Judgments and claims | 2,581,318 | — | — | — | 2,581,318 | 2,581,318 |
| Sick and vacation | 4,914,822 | — | — | — | 4,914,822 | 4,072,682 |
| Retirement costs | 50,643,274 | — | — | — | 50,643,274 | 47,272,560 |
| Third-party payors of health care costs . | 30,780,124 | — | — | — | 30,780,124 | 23,638,042 |
| Other | 6,325,521 | 787,656 | 1,205,069 | 2,138 | 8,320,384 | 10,243,870 |
| Intergovernmental | — | 4,594,657 | 34,713 | — | 4,629,370 | 4,053,983 |
| Deferred revenue | — | — | 14,180,893 | — | 14,180,893 | 56,891,245 |
| Due to other funds | — | 2,915,775 | 403,982 | (2,861,348) | 458,409 | 3,409,360 |
| Obligations under capital lease | 1,102,548 | — | 127,098 | — | 1,229,646 | 1,722,030 |
| General obligation bonds and notes payable | — | — | 18,880,821 | — | 18,880,821 | 19,379,544 |
| Total liabilities | 115,045,057 | 9,380,029 | 36,952,318 | (2,859,210) | 158,518,194 | 186,143,701 |
| Fund Balances: | | | | | | |
| Proprietary fund equity | 71,872,730 | 1,176,242 | 2,428,656 | — | 75,477,628 | 77,683,442 |
| Total fund equity | 71,872,730 | 1,176,242 | 2,428,656 | — | 75,477,628 | 77,683,442 |
| Total liabilities and fund Equity | \$186,917,787 | \$10,556,271 | \$39,380,974 | \$(2,859,210) | \$233,995,822 | \$263,827,143 |

See accompanying notes to general purpose financial statements.

Exhibit E-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses and
Changes in Retained Earnings/Fund Equity
Year Ended June 30, 1988
(with comparative totals for June 30, 1987)

| | Department of Health and Hospitals | Trustee of Health and Hospitals | Economic Development Industrial Corporation | Totals | |
|--|--|---------------------------------------|--|---------------|---------------|
| | | | | 1988 | 1987 |
| Operating revenues: | | | | | |
| Gross patient service revenue | \$209,574,090 | — | — | \$209,574,090 | \$168,964,276 |
| Adjustments to patient service revenue: | | | | | |
| Contractual adjustments | 3,585,616 | — | — | 3,585,616 | 40,417,080 |
| Provisions for uncollectible amounts and service provided to City Employees | (81,790,791) | — | — | (81,790,791) | (50,381,600) |
| Total adjustments to patient service revenue | (78,205,175) | — | — | (78,205,175) | (9,964,520) |
| Net patient service revenue | 131,368,915 | — | — | 131,368,915 | 158,999,756 |
| Investment income | — | — | \$1,229,250 | 1,229,250 | 1,285,814 |
| Programs | — | \$25,793,508 | — | 25,793,508 | 21,634,526 |
| Rental Income | — | — | 4,520,024 | 4,520,024 | 4,192,060 |
| Intergovernmental | — | — | 1,047,142 | 1,047,142 | 1,178,468 |
| Miscellaneous | 6,664,375 | — | 667,660 | 7,332,035 | 6,184,474 |
| Total operating revenues | 138,033,290 | 25,793,508 | 7,464,076 | 171,290,874 | 193,475,098 |
| Operating expenses: | | | | | |
| Salaries, wages and fringe benefits | 95,121,315 | — | 3,028,575 | 98,149,890 | 85,017,758 |
| Professional fees | 16,127,820 | — | 961,000 | 17,088,820 | 14,102,271 |
| Retirement costs | 14,233,139 | — | — | 14,233,139 | 13,880,551 |
| Materials and supplies | 13,034,652 | — | 46,044 | 13,080,696 | 10,548,988 |
| Administrative and general | 16,952,797 | 1,647,712 | 2,383,783 | 20,984,292 | 20,622,847 |
| Depreciation | 5,647,350 | 81,431 | 1,416,440 | 7,145,221 | 7,158,612 |
| Interest | 2,956,654 | — | 1,718,217 | 4,674,871 | 4,095,556 |
| Subsidies for community service special programs and real estate operation | 17,670,539 | 24,227,501 | — | 41,898,040 | 35,285,730 |
| Total operating expenses | 181,744,266 | 25,956,644 | 9,554,059 | 217,254,969 | 190,712,313 |
| Operating income (loss) | (43,710,976) | (163,136) | (2,089,983) | (45,964,095) | 2,762,785 |
| Operating transfer in (out), net | 43,265,866 | 492,415 | — | 43,758,281 | (3,981,097) |
| Net income (loss) | (445,110) | 329,279 | (2,089,983) | (2,205,814) | (1,218,312) |
| Fund equity, beginning of year | 72,317,840 | 846,963 | 4,518,639 | 77,683,442 | 78,901,755 |
| Fund equity, at end of year | \$ 71,872,730 | \$ 1,176,242 | \$ 2,428,656 | \$ 75,477,628 | \$ 77,683,443 |

See accompanying notes to general purpose financial statements.

Exhibit E-3
CITY OF BOSTON AND COUNTY OF SUFFOLK
ENTERPRISE FUNDS
Combining Statement of Changes in Financial Position
Year Ended June 30, 1988
(with comparative totals for June 30, 1987)

| | Department of Health and Hospitals | Trustees of Health and Hospitals | Economic Development Industrial Corporation | Totals | |
|--|--|--|--|----------------|----------------|
| | | | | 1988 | 1987 |
| Sources of working capital: | | | | | |
| Operations: | | | | | |
| Net income (loss) | \$ (445,110) | \$ 329,279 | \$(2,089,983) | \$ (2,205,814) | \$ (1,219,859) |
| Items not requiring funds: | | | | | |
| Depreciation | 5,647,350 | 80,631 | 1,416,440 | 7,144,421 | 7,158,287 |
| Loss (gain) on sale of investments and other | 640,000 | — | — | 640,000 | 729,000 |
| Funds provided (used) by operations | 5,842,240 | 409,910 | (673,543) | 5,578,607 | 6,667,428 |
| Increase in accrued retirement costs | 3,369,684 | — | — | 3,369,684 | 1,353,000 |
| Decrease in other assets | — | — | 1,672,737 | 1,672,737 | 2,804,498 |
| Increase in other liabilities | — | — | 263,000 | 263,000 | — |
| Total sources of funds | 9,211,924 | 409,910 | 1,262,194 | 10,884,028 | 10,824,926 |
| Uses of working capital: | | | | | |
| Acquisitions of property, plant and equipment | 5,291,219 | 14,310 | 2,367,815 | 7,673,344 | 6,281,333 |
| Retirement of long-term obligations | (411,000) | — | 131,000 | (280,000) | 1,967,691 |
| Increase in long-term portion of due to other funds | 3,387,769 | — | — | 3,387,769 | 1,266,000 |
| Decrease in other liabilities | — | — | — | — | 527,114 |
| Other | (18,085) | — | — | (18,085) | 87,000 |
| Total uses of working capital | 8,249,903 | 14,310 | 2,498,815 | 10,763,028 | 10,129,138 |
| Increase (decrease) in working capital | \$ 962,021 | \$ 395,600 | \$(1,236,621) | \$ 121,000 | \$ 695,788 |
| Elements of increase (decrease) in funds: | | | | | |
| Cash and short-term investments | \$ 171,370 | \$(2,547,328) | \$ (464,880) | \$(2,840,838) | \$ 2,682,695 |
| Intergovernmental | — | — | 317,710 | 317,710 | (135,803) |
| Accounts receivable | 9,548,680 | 3,722,473 | (184,620) | 13,086,533 | (436,447) |
| Current portion of loans payable | — | — | (8,984) | (8,984) | 14,486 |
| Current portion of due from other funds | 1,631,000 | — | — | 1,631,000 | (16,874,000) |
| Inventories | 184,455 | — | — | 184,455 | (35,000) |
| Other current assets | — | 79,222 | (851,873) | (772,651) | (40,040) |
| Warrants and accounts payable | (4,556,427) | (292,941) | (374,905) | (5,224,273) | (5,748,856) |
| Due to third-party payors | (7,141,584) | — | — | (7,141,584) | 18,925,000 |
| Accrued liabilities | 163,037 | (72,669) | 110,569 | 200,937 | (431,935) |
| Intergovernmental payable | — | (540,657) | (34,714) | (575,371) | (1,030,504) |
| Deferred revenue and allowances | — | — | — | — | (21,218) |
| Due to other funds | — | 17,500 | 71,017 | 89,107 | 3,325,037 |
| Current portion of lease obligations | 961,490 | 30,000 | 183,559 | 1,175,049 | 502,373 |
| Increase (decrease) in working capital | \$ 962,021 | \$ 395,600 | \$(1,236,621) | \$ 121,000 | \$ 695,788 |

See accompanying notes to general purpose financial statements.

Exhibit E-4
CITY OF BOSTON AND COUNTY OF SUFFOLK
DEPARTMENT OF HEALTH AND HOSPITALS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 3,829,388 | \$ 3,658,309 |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | |
| Accounts | 44,237,610 | 34,689,029 |
| Due from other funds | 64,223,318 | 56,343,295 |
| Due from Trustees | — | 2,877,295 |
| Inventories | 1,652,956 | 1,468,497 |
| Property, plant and equipment (net of accumulated depreciation) | 72,974,515 | 73,970,014 |
| Total assets | <u>\$186,917,787</u> | <u>\$173,006,439</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 18,697,450 | \$ 14,141,000 |
| Accrued liabilities: | | |
| Judgments and claims | 2,581,318 | 2,581,318 |
| Sick and vacation | 4,914,822 | 4,072,682 |
| Retirement costs | 50,643,274 | 47,272,560 |
| Third-party payors of health care costs | 30,780,124 | 25,830,882 |
| Other | 6,325,521 | 5,137,762 |
| Obligations under capital lease | 1,102,548 | 1,652,395 |
| Total liabilities | <u>115,045,057</u> | <u>100,688,599</u> |
| Fund Balances: | | |
| Proprietary fund equity | 71,872,730 | 72,317,840 |
| Total fund equity | <u>71,872,730</u> | <u>72,317,840</u> |
| Total liabilities and fund equity | <u>\$186,917,787</u> | <u>\$173,006,439</u> |

See accompanying notes to general purpose financial statements.

Exhibit E-5
CITY OF BOSTON AND COUNTY OF SUFFOLK
DEPARTMENT OF HEALTH AND HOSPITALS
Comparative Statement of Revenues, Expenses
and Changes in Retained Earnings
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------|---------------|
| Operating revenues: | | |
| Gross patient service revenue | \$209,574,090 | \$168,964,276 |
| Adjustments to patient service revenue: | | |
| Contractual adjustments | 3,585,616 | 40,417,080 |
| Provisions for uncollectible amounts, free care and service provided to City employees | (81,790,791) | (50,381,600) |
| Total adjustments to patient service revenue | (78,205,175) | (9,964,520) |
| Net patient service revenue | 131,368,915 | 158,999,756 |
| Miscellaneous revenues | 6,664,375 | 5,363,678 |
| Total operating revenues | 138,033,290 | 164,363,434 |
| Operating expenses: | | |
| Salaries, wages and fringe benefits | 95,121,315 | 82,729,809 |
| Professional fees | 16,127,820 | 13,693,855 |
| Retirement costs | 14,233,139 | 13,880,551 |
| Materials and supplies | 13,034,652 | 10,497,704 |
| Administrative and general | 16,952,797 | 17,318,392 |
| Depreciation | 5,647,350 | 5,653,346 |
| Interest | 2,956,654 | 2,688,763 |
| Subsidies for community services, special programs and real estate operations | 17,670,539 | 15,040,746 |
| Total operating expenses | 181,744,266 | 161,503,166 |
| Operating income (loss) | (43,710,976) | 2,860,268 |
| Operating transfer in (out), net | 43,265,866 | (4,453,742) |
| Net income (loss) | (445,110) | (1,593,474) |
| Fund equity, beginning of year | 72,317,840 | 73,911,314 |
| Fund equity, end of year | \$71,872,730 | \$ 72,317,840 |

See accompanying notes to general purpose financial statements.

Exhibit E-6
CITY OF BOSTON AND COUNTY OF SUFFOLK
DEPARTMENT OF HEALTH AND HOSPITALS
Comparative Statement of Changes in Financial Position
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|--------------|----------------|
| Sources of working capital: | | |
| Operations: | | |
| Net income (loss) | \$ (445,110) | \$ (1,595,474) |
| Items not requiring funds: | | |
| Depreciation | 5,647,350 | 5,653,325 |
| Loss on sale of investments and other | 640,000 | 729,100 |
| Funds provided by operations | 5,842,240 | 4,786,951 |
| Increase in accrued retirement costs | 3,369,684 | 1,352,964 |
| Total sources of funds | 9,211,924 | 6,139,915 |
| Use of working capital: | | |
| Acquisitions of property, plant and equipment | 5,291,219 | 2,900,000 |
| Retirement of long-term obligations | (411,000) | 1,509,282 |
| Increase in long-term portion of due to other funds | 3,387,769 | 1,265,788 |
| Other | (18,085) | 86,843 |
| Total uses of working capital | 8,249,903 | 5,761,913 |
| Increase (decrease) in working capital | \$ 962,021 | \$ 378,002 |
| Elements of increase (decrease) in working capital: | | |
| Cash and short-term investments | \$ 171,260 | \$ 586,448 |
| Accounts receivable | 9,548,680 | 656,260 |
| Current portion of due from other funds | 1,631,110 | (16,874,320) |
| Inventories | 184,455 | (35,227) |
| Warrants and accounts payable | (4,556,427) | (5,950,910) |
| Due to third-party payors | (7,141,584) | 18,925,000 |
| Accrued liabilities | 163,037 | (487,370) |
| Due to other funds | — | 3,179,000 |
| Current portion of lease obligations | 961,490 | 379,121 |
| Increase (decrease) in working capital | \$ 962,021 | \$ 378,002 |

See accompanying notes to general purpose financial statements.

Exhibit E-7
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUSTEES OF HEALTH AND HOSPITALS
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------|--------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 2,801,527 | \$5,348,855 |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | |
| Accounts | 7,519,473 | 3,797,484 |
| Other assets | 79,222 | — |
| Property, plant and equipment (net of accumulated depreciation) | 156,049 | 222,370 |
| Total assets | <u>\$10,556,271</u> | <u>\$9,368,709</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 1,081,941 | \$ 788,560 |
| Accrued liabilities: | | |
| Other | 787,656 | 745,342 |
| Intergovernmental | 4,594,657 | 4,053,983 |
| Due to other funds | 2,915,775 | 2,933,861 |
| Total liabilities | <u>9,380,029</u> | <u>8,521,746</u> |
| Fund Balances: | | |
| Proprietary fund equity | 1,176,242 | 846,963 |
| Total fund equity | 1,176,242 | 846,963 |
| Total liabilities and fund equity | <u>\$10,556,271</u> | <u>\$9,368,709</u> |

See accompanying notes to general purpose financial statements.

Exhibit E-8
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUSTES OF HEALTH AND HOSPITALS
Comparative Statement of Revenues, Expenses
and Changes in Retained Earnings
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------|-------------------|
| Operating revenues: | | |
| Programs | \$25,793,508 | \$21,634,526 |
| Total operating revenues | <u>25,793,508</u> | <u>21,634,526</u> |
| Operating expenses: | | |
| Administrative and general | 1,647,712 | 1,439,432 |
| Depreciation | 81,431 | 73,225 |
| Subsidies for community services, special programs and real estate operations | 24,227,501 | 20,244,984 |
| Total operating expenses | <u>25,956,644</u> | <u>21,757,641</u> |
| Operating income (loss) | (163,136) | (123,115) |
| Operating transfer in (out), net | <u>492,415</u> | <u>472,645</u> |
| Net income (loss) | 329,279 | 349,530 |
| Fund equity, beginning of year | 846,963 | 497,433 |
| Fund equity, at end of year | <u>\$ 1,176,242</u> | <u>\$ 846,963</u> |

See accompanying notes to general purpose financial statements.

Exhibit E-9
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUSTEES OF HEALTH AND HOSPITALS
Comparative Statement of Changes in Financial Position
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------|--------------|
| Sources of working capital: | | |
| Operations: | | |
| Net income (loss) | \$ 329,279 | \$ 349,530 |
| Items not requiring funds: | | |
| Depreciation | 80,631 | 73,225 |
| Funds provided by operations | 409,910 | 422,755 |
| Use of funds: | | |
| Acquisitions of property, plant and equipment | 14,310 | 132,938 |
| Retirement of long-term obligations | — | 30,128 |
| Total uses of working capital | 14,310 | 163,066 |
| Increase (decrease) in working capital | \$ 395,600 | \$ 269,689 |
| Elements of increase (decrease) in working capital: | | |
| Cash and short-term investments | \$(2,547,328) | \$ 2,296,486 |
| Accounts receivable | 3,722,473 | (991,646) |
| Other current assets | 79,222 | — |
| Warrants and accounts payable | (292,941) | 51,019 |
| Accrued liabilities | (72,669) | 167,659 |
| Intergovernmental payable | (540,657) | (1,185,431) |
| Due to other funds | 17,500 | (88,695) |
| Current portion of lease obligations | 30,000 | 10,297 |
| Increase (decrease) in working capital | \$ 395,600 | \$ 259,689 |

See accompanying notes to general purpose financial statements.

Exhibit E-10
CITY OF BOSTON AND COUNTY OF SUFFOLK
ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION
Comparative Balance Sheet
June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and short-term investments | \$ 1,220,948 | \$ 1,685,828 |
| Receivables (net, where applicable, of allowances for estimated uncollectible amounts): | | |
| Intergovernmental | 1,387,570 | 2,265,280 |
| Accounts | 460,080 | 974,542 |
| Loans | 16,981,213 | 17,224,941 |
| Other assets | 3,529,223 | 3,912,096 |
| Property, plant and equipment (net of accumulated depreciation) | 15,801,940 | 14,850,566 |
| Total assets | <u>\$39,380,974</u> | <u>\$40,913,253</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Warrants and accounts payable | \$ 2,119,742 | \$ 1,675,147 |
| Accrued liabilities: | | |
| Other | 1,205,069 | 980,428 |
| Intergovernmental | 34,713 | — |
| Due to other funds | 403,982 | 13,844,489 |
| Deferred revenue | 14,180,893 | 475,499 |
| Obligations under capital lease | 127,098 | 59,888 |
| General obligation bonds and notes payable | 18,880,821 | 19,359,163 |
| Total liabilities | <u>36,952,318</u> | <u>36,394,614</u> |
| Fund Balances: | | |
| Proprietary fund equity | 2,428,656 | 4,518,639 |
| Total fund equity | <u>2,428,656</u> | <u>4,518,639</u> |
| Total liabilities and fund equity | <u>\$39,380,974</u> | <u>\$40,913,253</u> |

See accompanying notes to general purpose financial statements.

Exhibit E-11
CITY OF BOSTON AND COUNTY OF SUFFOLK
ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION
Comparative Statement of Revenues, Expenses
and Changes in Retained Earnings
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------------|--------------------|
| Operating revenues: | | |
| Investment income | \$1,229,250 | \$1,285,814 |
| Rental income | 4,520,024 | 4,192,060 |
| Intergovernmental | 1,047,142 | 1,178,468 |
| Miscellaneous | 667,660 | 820,796 |
| Total operating revenues | <u>7,464,076</u> | <u>7,477,138</u> |
| Operating expenses: | | |
| Salaries, wages and fringe benefits | 3,028,575 | 2,287,940 |
| Professional fees | 961,000 | 408,416 |
| Materials and supplies | 46,044 | 51,284 |
| Administrative and general | 2,383,783 | 1,865,023 |
| Depreciation | 1,416,440 | 1,432,062 |
| Interest | 1,718,217 | 1,406,793 |
| Total operating expenses | <u>9,554,059</u> | <u>7,451,527</u> |
| Net income (loss) | (2,089,983) | 25,611 |
| Fund equity, beginning of year | 4,518,639 | 4,493,028 |
| Fund equity, at end of year | <u>\$ 2,428,656</u> | <u>\$4,518,639</u> |

See accompanying notes to general purpose financial statements.

Exhibit E-12
CITY OF BOSTON AND COUNTY OF SUFFOLK
ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION
Comparative Statement of Changes in Financial Position
Years Ended June 30, 1988 and 1987

| | 1988 | 1987 |
|---|---------------|--------------|
| Sources of working capital: | | |
| Operations: | | |
| Net income (loss) | \$(2,089,983) | \$ 25,611 |
| Items not requiring funds: | | |
| Depreciation | 1,416,440 | 1,432,062 |
| Funds provided by operations | (673,543) | 1,457,673 |
| Decrease in other assests | 1,672,737 | 2,804,498 |
| Increase in other liabilities | 263,000 | — |
| Total sources of funds | 1,262,194 | 4,262,171 |
| Uses of working capital: | | |
| Acquisitions of property, plant and equipment | 2,367,815 | 3,248,395 |
| Retirement of long-term obligations | 131,000 | 428,563 |
| Decrease in other liabilities | — | 527,114 |
| Total uses of working capital | 2,498,815 | 4,204,072 |
| Increase (decrease) in working capital | \$(1,236,621) | \$ 58,099 |
| Elements of increase (decrease) in funds: | | |
| Cash and short-term investments | \$ (464,880) | \$ (199,791) |
| Intergovernmental | 317,710 | (135,803) |
| Accounts receivable | (184,620) | (160,801) |
| Current portion of loans payable | (8,984) | 14,486 |
| Other current assets | (851,873) | (40,040) |
| Warrants and accounts payable | (374,905) | 151,125 |
| Accrued liabilities | 110,569 | (112,594) |
| Intergovernmental payable | (34,714) | 154,927 |
| Deferred revenue and allowances | — | 38,782 |
| Due to other funds | 71,517 | 234,732 |
| Current portion of lease obligations | 183,559 | 113,076 |
| Increase (decrease) in working capital | \$(1,236,621) | \$ 58,099 |

See accompanying notes to general purpose financial statements.

TRUST AND AGENCY FUNDS

Trust and Agency funds account for assets held in a trustee capacity or as an agent for individuals, private corporations, other governments, and other funds.

PENSION TRUSTS

State-Boston Retirement System. Is a defined benefit contributory retirement plan covering employees of the City of Boston, Boston Housing Authority, Boston Redevelopment Authority, and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

Boston Retirement. Is the independent contributory plan system available exclusively to the City of Boston employees who were employed prior to October 1, 1946.

Health and Hospital Pension Trust. Is a sub-account of the City of Boston's Pension Fund. This Fund is designed to be a mechanism for the collection of revenues from third-party payers for services provided by the Health and Hospitals Department. It was established solely for the purpose of offsetting the future costs of the Department's pension liability.

NONEXPENDABLE TRUST FUNDS

City Funds. Are funds bequeathed and donated which designate that income but not principal may be expended. These funds are used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of the inhabitants of the City of Boston.

Schools Funds. Are funds bequeathed and donated which designate that income but not principal may be expended. These funds are used for scholarship awards, the purchase of educational equipment, and to aid needy students.

George Robert White Fund. Was formed by the will of George R. White dated May 21, 1920. The will principally requires that the Fund's income is to be used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the City of Boston.

EXPENDABLE TRUST FUNDS

City Funds. Accounts for the accumulated interest and dividends generated from the unexpendable City Funds awaiting expenditure or reinvestment of principal and income.

School Funds. Account for the accumulated interest and dividends generated from the nonexpendable City Funds awaiting expenditure or reinvestment of principal and income.

George Robert White Fund. Account for the accumulated interest and dividends generated from the nonexpendable City Funds awaiting expenditure or reinvestment of principal and income.

Neighborhood Housing Fund. Established on June 6, 1986, by City Council ordinance to support the creation and preservation of affordable housing for low- and moderate-income residents of Boston's neighborhoods. As mandated, developers of certain large-scale commercial real estate projects in the City are required to make contributions in the form of payments to the Fund.

Neighborhood Jobs Fund. Established on February 26, 1986, to protect and provide employment opportunities for low- and moderate-income residents of the City of Boston. As mandated by the Boston Zoning Code, developers of certain large-scale commercial real estate projects in the City are required to make contributions to the Fund over a two-year period.

Trustees of Health and Hospitals. The funds principally represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston City Hospital.

Trustees of the Public Library. The funds principally represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston Public Library.

AGENCY FUNDS

Blue Cross/Blue Shield Agency Fund. This agency fund accounts for contributions received from both employer and employee to pay for health insurance costs to Blue Cross/Blue Shield.

Boston Redevelopment Authority Agency Fund. Resources received and held by the Authority as an agent for other entities including Urban Development Grants (UDAGs) and other funds for housing initiatives.

TRUST AND AGENCY FUNDS

Exhibit F-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUST AND AGENCY FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative totals for June 30, 1987)

| | Pension Funds | | | |
|---|--------------------------------------|--------------------------------|--|------------------------|
| | State/Boston Retirement System | Boston Retirement System | Health and Hospitals Pension Trust | Total Pension Trust |
| ASSETS | | | | |
| Cash and short-term investments | \$114,216,000 | \$1,621,374 | \$11,205,004 | \$127,042,378 |
| Other investments | 624,490,000 | — | 27,854,000 | 652,344,000 |
| Receivables: | | | | |
| Intergovernmental | — | 138,522 | — | 138,522 |
| Accounts | 22,552,000 | — | — | 22,552,000 |
| Due from other funds | 5,701,000 | — | — | 5,701,000 |
| Notes | — | — | — | — |
| Other assets | — | — | — | — |
| Property, plant and equipment | — | — | — | — |
| Total assets | \$766,959,000 | \$1,759,896 | \$39,059,004 | \$807,777,900 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Warrants and accounts payable | \$ 17,815,000 | — | — | \$ 17,815,000 |
| Other accrued liabilities | — | — | — | — |
| Due to other funds | 580,000 | — | — | 580,000 |
| Total liabilities | 18,395,000 | — | — | 18,395,000 |
| Fund balance: | | | | |
| Reserved for: | | | | |
| Encumbrances | — | — | — | — |
| Employee retirement system | 748,564,000 | 1,759,896 | 39,059,004 | 789,382,900 |
| Unreserved: | | | | |
| Undesignated | — | — | — | — |
| Designated | — | — | — | — |
| Total fund balances | 748,564,000 | 1,759,896 | 39,059,004 | 789,382,900 |
| Total liabilities and fund balances | \$766,959,000 | \$1,759,896 | \$39,059,004 | \$807,777,900 |

See accompanying notes to general purpose financial statements.

Exhibit F-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUST AND AGENCY FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative totals for June 30, 1987)

| Nonexpendable Trust Funds | | | | |
|---------------------------|--------------|-----------------------------|----------------------------------|---------------------------------------|
| City Funds | School Funds | George Robert White Fund | Trustees of Public Library | Total Nonexpendable Trust Funds |
| \$ 1,832,265 | \$418,176 | \$ 2,115,343 | \$ 587,697 | \$ 4,953,481 |
| 17,693,127 | 64,543 | 8,488,022 | 12,354,321 | 38,600,013 |
| — | — | — | — | — |
| — | — | — | — | — |
| 208,910 | — | — | — | 208,910 |
| — | — | — | — | — |
| — | — | — | — | — |
| 60,000 | — | 131,162 | — | 191,162 |
| \$19,794,302 | \$482,719 | \$10,734,527 | \$12,942,018 | \$43,953,566 |
| — | — | — | — | — |
| — | \$ 623 | — | — | \$ 623 |
| — | — | — | — | — |
| — | \$ 623 | — | — | \$ 623 |
| — | — | — | — | — |
| — | — | — | — | — |
| \$19,794,302 | 482,096 | \$10,734,527 | \$12,942,018 | 43,952,943 |
| — | — | — | — | — |
| 19,794,302 | 482,096 | 10,734,527 | 12,942,018 | 43,952,943 |
| \$19,794,302 | \$482,719 | \$10,734,527 | \$12,942,018 | \$43,953,566 |

Exhibit F-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUST AND AGENCY FUNDS
Combining Balance Sheet
June 30, 1987
(with comparative totals for June 30, 1987)

| | Expendable Trust Funds | | | |
|---|------------------------|--------------|-----------------------------|----------------------------------|
| | City Funds | School Funds | George Robert White Fund | Trustees of Public Library |
| ASSETS | | | | |
| Cash and short-term investments | \$ 6,085,916 | \$293,100 | \$1,187,371 | \$ 642,962 |
| Other investments | 7,720,933 | 30,673 | 4,686,203 | 2,478,723 |
| Receivables: | | | | |
| Intergovernmental | — | — | — | — |
| Accounts | — | — | — | — |
| Due from other funds | — | — | — | — |
| Notes | — | — | 327,500 | — |
| Other assets | — | — | — | — |
| Property, plant and equipment | — | — | — | — |
| Total assets | \$13,806,849 | \$323,773 | \$6,201,074 | \$3,121,605 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Warrants and accounts payable | — | — | — | — |
| Other accrued liabilities | \$ 91,459 | \$ 2,112 | \$ 47,095 | — |
| Due to other funds | 592,032 | — | 843,776 | — |
| Total liabilities | 683,491 | 2,112 | 890,871 | — |
| Fund balance: | | | | |
| Reserved for: | | | | |
| Encumbrances | 3,249,621 | — | 1,856,748 | — |
| Employee retirement system | — | — | — | — |
| Unreserved: | | | | |
| Undesignated | 9,873,737 | 114,829 | 3,453,455 | — |
| Designated | — | 206,832 | — | 3,121,685 |
| Total fund balance | 13,123,358 | 321,661 | 5,310,203 | 3,121,685 |
| Total liabilities and fund balances | \$13,806,849 | \$323,773 | \$6,201,074 | \$3,121,685 |

See accompanying notes to general purpose financial statements.

Exhibit F-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUST AND AGENCY FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative totals for June 30, 1987)

| Expendable Trust Funds | | | |
|--|---------------------------------|------------------------------|------------------------------------|
| Trustees of Health and Hospitals | Neighborhood Housing Fund | Neighborhood Jobs Fund | Total Expendable Trust Funds |
| \$ 4,535,764 | \$1,134,074 | \$ 49,495 | \$13,928,682 |
| 8,551,779 | — | — | 23,468,311 |
| — | — | — | — |
| — | 689,847 | 1,206,198 | 1,896,045 |
| 699,578 | — | — | 699,578 |
| — | — | — | 327,500 |
| — | — | — | — |
| — | — | — | — |
| \$13,787,121 | \$1,823,921 | \$1,255,693 | \$40,320,116 |
| — | — | — | — |
| — | — | — | \$ 140,666 |
| — | — | — | 1,435,808 |
| — | — | — | 1,576,474 |
| — | — | — | 5,106,369 |
| — | — | — | — |
| \$13,787,121 | \$1,808,076 | \$1,228,559 | 30,265,777 |
| — | 15,845 | 27,134 | 3,371,496 |
| \$13,787,121 | 1,823,921 | 1,255,693 | 38,743,642 |
| \$13,787,121 | \$1,823,921 | \$1,255,693 | \$40,320,116 |

Exhibit F-1
CITY OF BOSTON AND COUNTY OF SUFFOLK
TRUST AND AGENCY FUNDS
Combining Balance Sheet
June 30, 1988
(with comparative totals for June 30, 1987)

| | Agency Funds | | | Totals | |
|--|---|-----------------------|--------------------------|---------------|---------------|
| | Blue Cross/ Blue Shield Agency Fund | B.R.A. Agency Fund | Total Agency Funds | 1988 | 1987 |
| ASSETS | | | | | |
| Cash and short-term investments | \$ 6,562,899 | — | \$ 6,562,899 | \$152,487,440 | \$152,930,373 |
| Other investments | 5,264,581 | \$ 3,352,722 | 8,617,303 | 723,029,627 | 666,901,294 |
| Receivables: | | | | | |
| Intergovernmental | — | 210,402 | 210,402 | 348,924 | 35,922,540 |
| Accounts | — | — | — | 24,448,045 | 15,208,608 |
| Due from other funds | — | — | — | 6,609,488 | 12,176,435 |
| Notes | — | 22,960,544 | 22,960,544 | 23,288,044 | 23,218,044 |
| Other assets | — | — | — | — | 3,500,000 |
| Property, plant and equipment | — | — | — | 191,162 | 191,162 |
| Total assets | \$11,827,480 | \$26,523,668 | \$38,351,148 | \$930,402,730 | \$910,048,456 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Warrants and accounts payable | — | — | — | \$ 17,815,000 | \$ 18,731,000 |
| Other accrued liabilities | \$ 8,697,591 | \$25,151,534 | \$33,849,125 | 33,990,414 | 31,692,403 |
| Due to other funds | 3,129,889 | 1,372,134 | 4,502,023 | 6,517,831 | 14,849,084 |
| Total liabilities | 11,827,480 | 26,523,668 | 38,351,148 | 58,323,245 | 65,272,487 |
| Fund balance: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | — | — | — | 5,106,369 | 7,092,000 |
| Employee retirement system | — | — | — | 789,382,900 | 765,845,940 |
| Unreserved: | | | | | |
| Undesignated | — | — | — | 74,218,720 | 68,966,920 |
| Designated | — | — | — | 3,371,496 | 2,871,109 |
| Total fund balance | — | — | — | 872,079,485 | 844,775,969 |
| Total liabilities and fund balance | \$ 11,827,480 | \$26,523,668 | \$38,351,148 | \$930,402,730 | \$910,048,456 |

See accompanying notes to general purpose financial statements.

Exhibit F-2
CITY OF BOSTON AND COUNTY OF SUFFOLK
PENSION TRUST FUNDS
Comparative Balance Sheet
June 30, 1988
(with comparative totals for June 30, 1987)

| | State-Boston Retirement System | Boston Retirement System | Health and Hospitals Pension Trust | Totals | |
|--|--------------------------------------|--------------------------------|--|---------------|---------------|
| | | | | 1988 | 1987 |
| ASSETS | | | | | |
| Cash and short-term investments | \$114,216,000 | \$1,621,374 | \$11,205,004 | \$127,042,378 | \$125,590,802 |
| Other investments | 624,490,000 | — | 27,854,000 | 652,344,000 | 602,641,000 |
| Receivables: | | | | | |
| Intergovernmental | — | 138,522 | — | 138,522 | 35,712,138 |
| Accounts | 22,552,000 | — | — | 22,552,000 | 14,630,000 |
| Due from other funds | 5,701,000 | — | — | 5,701,000 | 6,003,000 |
| Total assets | \$766,959,000 | \$1,759,896 | \$39,059,004 | \$807,777,900 | \$784,576,940 |
| LAIBILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Warrants and accounts payable | \$ 17,815,000 | — | — | \$17,815,000 | \$ 18,731,000 |
| Due to other funds | 580,000 | — | — | 580,000 | — |
| Total liabilities | 18,395,000 | — | — | 18,395,000 | 18,731,000 |
| Fund Balance: | | | | | |
| Reserved: | | | | | |
| Employee retirement system | 748,564,000 | 1,759,896 | 39,059,004 | 789,382,900 | 765,845,940 |
| Total fund balance | 748,564,000 | 1,759,896 | 39,059,004 | 789,382,900 | 765,845,940 |
| Total liabilities and fund balance | \$766,959,000 | \$1,759,896 | \$39,059,004 | \$807,777,900 | \$784,576,940 |

See accompanying notes to general purpose financial statements.

Exhibit F-3
CITY OF BOSTON AND COUNTY OF SUFFOLK
PENSION TRUST FUNDS

Comparative Statements of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1988
(with comparative totals for June 30, 1987)

| | State-Boston Retirement System | Boston Retirement System | Health and Hospitals Pension Trust | Totals | |
|--|--------------------------------------|--------------------------------|--|---------------|---------------|
| | | | | 1988 | 1987 |
| REVENUES: | | | | | |
| Investment income | \$ 36,617,000 | \$ 78,650 | \$ 2,385,908 | \$ 39,081,558 | \$ 46,822,995 |
| Net (depreciation) in fair value of investments | (43,112,000) | — | — | (43,112,000) | 10,778,000 |
| Contributions | 171,499,000 | 801,402 | 91,000 | 172,391,402 | 161,300,298 |
| Intergovernmental | 12,842,000 | 138,522 | — | 12,980,522 | 27,320,968 |
| Miscellaneous | 21,000 | — | — | 21,000 | 23,000 |
| Total revenues | 177,867,000 | 1,018,574 | 2,476,908 | 181,362,482 | 246,245,261 |
| EXPENSES: | | | | | |
| Salaries, wages and fringe benefits | 981,000 | — | — | 981,000 | 911,000 |
| Professional fees | 1,942,000 | — | — | 1,942,000 | 313,000 |
| Materials and supplies | 138,000 | — | — | 138,000 | 34,000 |
| Administrative and general | 72,000 | — | 87,198 | 159,198 | 43,389 |
| Benefits paid | 140,277,000 | 756,164 | — | 141,033,164 | 134,649,389 |
| Members refunds, transfers and reimbursements to other systems, net | 13,526,000 | 46,160 | — | 13,572,160 | 14,858,000 |
| Total expenses | 159,936,000 | 802,324 | 87,198 | 157,825,522 | 150,808,470 |
| Excess (deficiency) of revenues over expenses | 20,931,000 | 216,000 | 2,389,710 | 23,536,960 | 95,436,791 |
| Fund equity, beginning of year | 727,633,000 | 1,543,646 | 36,669,294 | 765,845,940 | 670,409,149 |
| Fund equity, end of year | \$748,564,000 | \$1,759,896 | \$39,059,004 | \$789,382,900 | \$765,845,940 |

See accompanying notes to general purpose financial statements.

Exhibit F-4
CITY OF BOSTON AND COUNTY OF SUFFOLK
PENSION TRUST FUNDS
Comparative Statement of Changes in Financial Position
Year Ended June 30, 1988
(with comparative totals for June 30, 1987)

| | State-Boston Retirement System | Boston Retirement System | Health and Hospitals Pension Trust | Totals | |
|---|--------------------------------------|--------------------------------|--|---------------|---------------|
| | | | | 1988 | 1987 |
| Sources of working capital: | | | | | |
| Operations: | | | | | |
| Net income (loss) | \$ 20,931,000 | \$ 216,250 | \$ 2,389,710 | \$ 23,536,960 | \$ 95,436,791 |
| Funds provided by operations | 20,931,000 | 216,250 | 2,389,710 | 23,536,960 | 95,436,791 |
| Loss on sale of investments and other | 26,426,000 | — | — | 26,426,000 | — |
| Total sources of funds | \$ 47,357,000 | \$ 216,250 | \$ 2,389,710 | \$ 49,962,960 | \$ 95,436,791 |
| Elements of net increase (decrease) in working capital: | | | | | |
| Cash and short-term investments | \$ 25,077,000 | \$ 1,206,866 | \$ (24,832,290) | \$ 1,451,576 | \$ 79,114,823 |
| Other investments | 48,275,000 | — | 27,854,000 | 76,129,000 | 33,273,000 |
| Intergovernmental | (35,383,000) | (190,616) | — | (35,573,616) | 27,219,968 |
| Accounts receivable | 7,922,000 | — | — | 7,922,000 | (5,538,000) |
| Current portion of due from other funds | 1,130,000 | (800,000) | (632,000) | (302,000) | (33,109,000) |
| Warrants and accounts payable | 916,000 | — | — | 916,000 | (6,513,000) |
| Due to other funds | (580,000) | — | — | (508,000) | 989,000 |
| Increase (decrease) in working capital | \$ 47,357,000 | \$ 216,250 | \$ 2,389,710 | \$ 49,962,960 | \$ 95,436,791 |

See accompanying notes to general purpose financial statements.

Exhibit F-5
CITY OF BOSTON AND COUNTY OF SUFFOLK
NONEXPENDABLE TRUST FUNDS
Comparative Balance Sheet
June 30, 1988
(with comparative totals for June 30, 1987)

| | | | | | Totals | |
|---|---------------------|------------------|-----------------------------|--------------------------------------|---------------------|---------------------|
| | City Funds | School Funds | George Robert White Fund | Trustees of the Public Library | 1988 | 1987 |
| ASSETS | | | | | | |
| Cash and short-term investments . . | \$ 1,832,265 | \$418,176 | \$ 2,115,343 | \$ 587,697 | \$ 4,953,481 | \$ 3,477,293 |
| Other investments | 17,693,127 | 64,543 | 8,488,022 | 12,354,321 | 38,600,013 | 25,510,638 |
| Due from other funds | 208,910 | — | — | — | 208,910 | 65,952 |
| Property, plant and equipment . . . | 60,000 | — | 131,162 | — | 191,162 | 191,162 |
| Total assets | <u>\$19,794,302</u> | <u>\$482,719</u> | <u>\$10,734,527</u> | <u>\$12,942,018</u> | <u>43,953,566</u> | <u>\$29,245,045</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Other accrued liabilities | — | \$ 623 | — | — | \$ 623 | — |
| Total liabilities | — | 623 | — | — | 623 | — |
| Fund balance: | | | | | | |
| Unreserved: | | | | | | |
| Undesignated | 19,794,302 | 482,096 | 10,734,527 | 12,942,018 | 43,952,943 | 29,245,045 |
| Total fund balance | <u>19,794,302</u> | <u>482,096</u> | <u>10,734,527</u> | <u>12,942,018</u> | <u>43,952,943</u> | <u>29,245,045</u> |
| Total liabilities and fund balance | <u>\$19,794,302</u> | <u>\$482,719</u> | <u>\$10,734,527</u> | <u>\$12,942,018</u> | <u>\$43,952,943</u> | <u>\$29,245,045</u> |

See accompanying notes to general purpose financial statements.

Exhibit F-6
CITY OF BOSTON AND COUNTY OF SUFFOLK
NONEXPENDABLE TRUST FUNDS
Comparative Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1988
(with comparative totals for June 30, 1987)

| | | | | | Totals | |
|---|--------------|--------------|-----------------------------|--------------------------------------|--------------|--------------|
| | City Funds | School Funds | George Robert White Fund | Trustees of the Public Library | 1988 | 1987 |
| REVENUES: | | | | | | |
| Rental income | — | — | — | — | — | \$ 10,000 |
| Investment income | \$ 1,965,544 | \$ 45,768 | \$ 1,438,312 | \$ 1,466,776 | \$ 4,916,400 | 2,444,458 |
| Contributions | — | — | — | 652,407 | 652,407 | 691,673 |
| Gain on sale of investments | — | — | — | — | — | 4,919,337 |
| Miscellaneous | 13,206 | — | 10,000 | — | 23,206 | 68,763 |
| Total revenues | 1,978,750 | 45,768 | 1,448,312 | 2,119,183 | 5,592,013 | 8,134,231 |
| OPERATING EXPENSES: | | | | | | |
| Administrative and general | — | 2,171 | — | — | 2,117 | 313 |
| Scholarship and awards | — | 7,225 | — | — | 7,225 | 8,700 |
| Libraries | — | — | — | 542,920 | 542,920 | 697,297 |
| Total operating expenses | — | 9,396 | — | 542,920 | 552,316 | 706,310 |
| Operating income (loss) | 1,978,750 | 36,372 | 1,448,312 | 1,576,263 | 5,039,697 | 7,427,921 |
| Operating transfers in (out), net | (1,089,269) | (7,004) | (601,281) | (446,567) | (2,144,121) | (2,253,032) |
| Net income (loss) | 889,481 | 29,368 | 847,031 | 1,129,696 | 2,895,576 | 5,174,889 |
| Fund equity, beginning of year | 18,904,821 | 452,728 | 9,887,496 | 11,812,322 | 41,057,367 | 35,882,478 |
| Fund equity, end of year | \$19,794,302 | \$482,096 | \$10,734,527 | \$12,942,018 | \$43,952,943 | \$41,057,367 |

See accompanying notes to general purpose financial statements.

Exhibit F-7
CITY OF BOSTON AND COUNTY OF SUFFOLK
NONEXPENDABLE TRUST FUNDS
Comparative Statement of Changes in Financial Position
Year Ended June 30, 1988
(with comparative totals for June 30, 1987)

| | | | | | Totals | |
|---|------------|--------------|-----------------------------|--------------------------------------|-------------|-------------|
| | City Funds | School Funds | George Robert White Fund | Trustees of the Public Library | 1988 | 1987 |
| Sources of working capital: | | | | | | |
| Operations: | | | | | | |
| Net income (loss) | \$ 889,481 | \$ 29,368 | \$ 847,031 | \$1,129,696 | \$2,895,576 | \$5,174,889 |
| Funds provided by opera- tions. | 889,481 | 29,368 | 847,031 | 1,129,696 | 2,895,576 | 5,174,889 |
| Sale of investments. | 481,365 | | 347,488 | | 828,853 | 1,557,779 |
| Total sources of income | 1,370,846 | 29,368 | 1,194,519 | 1,129,696 | 3,724,429 | 6,732,668 |
| Uses of funds: | | | | | | |
| Purchase of investments | 1,025,630 | 903 | 537,374 | 1,045,872 | 2,609,779 | 3,599,496 |
| Total use of working capital . | 1,025,630 | 903 | 537,374 | 1,045,872 | 2,609,779 | 3,599,496 |
| Increase (decrease) in work- ing capital | \$ 345,216 | \$ 28,465 | \$ 657,145 | \$ 83,824 | \$1,114,650 | \$3,133,172 |
| Elements of net increase (decrease) in funds: | | | | | | |
| Cash and short-term investments. | \$ 202,258 | \$ 29,088 | \$ 657,145 | \$ 83,824 | \$ 972,315 | \$1,287,615 |
| Other investments | | | | | — | 1,779,605 |
| Current portion of due from other funds. | 142,958 | | | | 142,958 | 65,952 |
| Accrued liabilities | | (623) | | | (623) | |
| Increase (decrease) in funds . | \$ 345,216 | \$ 28,465 | \$ 657,145 | \$ 83,824 | \$1,114,650 | \$3,133,172 |

See accompanying notes to general purpose financial statements.

Exhibit F-8
CITY OF BOSTON AND COUNTY OF SUFFOLK
EXPENDABLE TRUST FUNDS
COMPARATIVE BALANCE SHEET
June 30, 1988
(with comparative totals for June 30, 1987)

| | | | | | | | | Totals | |
|------------------------------------|--------------|--------------------------|--------------------------------|----------------------------------|---------------------------|------------------------|--------------|--------------|------|
| | | | | | | | | 1988 | 1987 |
| ASSETS | | | | | | | | | |
| City Funds | School Funds | George Robert White Fund | Trustees of the Public Library | Trustees of Health and Hospitals | Neighborhood Housing Fund | Neighborhood Jobs Fund | 1988 | 1987 | |
| Cash and short-term investments | \$ 6,085,916 | \$1,187,371 | \$ 642,962 | \$ 4,535,764 | \$1,134,074 | \$ 49,495 | \$13,928,682 | \$13,563,589 | |
| Other investments | 7,720,933 | 4,686,203 | 2,478,723 | 8,551,779 | — | — | 23,468,311 | 35,396,934 | |
| Receivables: | | | | | | | | | |
| Accounts | — | — | — | — | 689,847 | 1,206,198 | 1,896,045 | 578,608 | |
| Due from other funds | — | — | — | 699,578 | — | — | 699,578 | 824,327 | |
| Notes | — | 327,500 | — | — | — | — | 327,500 | 257,500 | |
| Total assets | \$13,806,849 | \$6,201,074 | \$3,121,685 | \$13,787,121 | \$1,823,921 | \$1,255,693 | \$40,320,116 | \$50,620,958 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Other accrued liabilities | \$ 91,459 | \$ 47,095 | — | — | — | — | \$ 140,666 | \$ 136,147 | |
| Due to other funds | 592,032 | 843,776 | — | — | — | — | 1,435,808 | 799,827 | |
| Total liabilities | 683,491 | 890,871 | — | — | — | — | 1,576,474 | 935,974 | |
| Fund balance: | | | | | | | | | |
| Reserved: | | | | | | | | | |
| Encumbrances | 3,249,621 | 1,856,748 | — | — | — | — | 5,106,369 | 7,092,000 | |
| Unreserved: | | | | | | | | | |
| Undesignated | 9,873,737 | 3,453,455 | — | 13,787,121 | 1,808,076 | 1,228,559 | 30,265,777 | 39,721,875 | |
| Designated | — | — | 3,121,685 | — | 15,845 | 27,134 | 3,371,496 | 2,871,109 | |
| Total fund balance | 13,123,358 | 5,310,203 | 3,121,685 | 13,787,121 | 1,823,921 | 1,255,693 | 38,743,642 | 49,684,984 | |
| Total liabilities and fund balance | \$13,806,849 | \$6,201,074 | \$3,121,685 | \$13,787,121 | \$1,823,921 | \$1,255,693 | \$40,320,116 | \$50,620,958 | |

See accompanying notes to general purpose financial statements.

Exhibit F-9

CITY OF BOSTON AND COUNTY OF SUFFOLK

EXPENDABLE TRUST FUNDS

Comparative Statement of Revenues, Expenditures and Changes in Fund Equity

Year Ended June 30, 1988

(with comparative totals for June 30, 1987)

| | Totals | | | | | | | |
|---|--------------|--------------|--------------------------|--------------------------------|----------------------------------|---------------------------|------------------------|--------------|
| | City Funds | School Funds | George Robert White Fund | Trustees of the Public Library | Trustees of Health and Hospitals | Neighborhood Housing Fund | Neighborhood Jobs Fund | 1987 |
| REVENUES: | | | | | | | | |
| Rental income..... | — | — | — | — | — | — | — | \$ 20,943 |
| Investment income..... | \$ 939,642 | \$ 26,401 | \$ 395,811 | \$ 180,755 | \$ 913,900 | \$ 33,192 | \$ 891 | \$ 2,490,592 |
| Sale of real estate..... | — | — | — | — | — | — | — | 285,000 |
| Contributions and donations..... | 262,347 | — | — | 151,791 | — | — | — | 414,138 |
| Other revenue..... | 447,133 | — | 70,000 | — | — | 701,230 | 1,241,832 | 2,460,195 |
| Total revenue | 1,649,122 | 26,401 | 465,811 | 332,546 | 913,900 | 734,422 | \$1,242,723 | \$5,364,925 |
| EXPENDITURES: | | | | | | | | |
| General government..... | 522,595 | — | — | — | — | — | — | 293,768 |
| Parks and Recreation | 1,731,161 | — | — | — | — | — | — | 1,731,161 |
| Human services | — | — | — | — | — | — | 15,000 | 15,000 |
| Schools..... | — | 23,690 | — | — | — | — | — | 23,690 |
| Public works..... | — | — | 2,745,465 | — | — | — | — | 2,745,465 |
| Library | — | — | — | 328,151 | — | — | — | 328,151 |
| Miscellaneous | — | 3,538 | 273,101 | — | — | 2,914 | 36 | 279,589 |
| Property and development | — | — | — | — | — | — | — | 566,297 |
| Total expenditures..... | 2,253,756 | 27,228 | 3,016,566 | 328,151 | — | 2,914 | 15,036 | 5,645,651 |
| Excess (deficiency) of revenue over expenditures.... | (604,634) | (827) | (2,552,755) | 4,395 | 913,900 | 731,508 | 1,227,687 | (280,726) |
| Other funding sources (uses): | | | | | | | | |
| Operating transfers in (out) | 589,269 | 7,004 | 601,281 | 446,567 | (492,415) | — | — | 1,151,706 |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses..... | (15,365) | 6,177 | (1,951,474) | 450,962 | 421,485 | 731,508 | 1,227,687 | 870,980 |
| Fund equity, beginning of year..... | 13,138,723 | 315,484 | 7,261,677 | 2,670,723 | 13,365,636 | 1,092,413 | 28,006 | 37,872,662 |
| Fund equity, end of year | \$13,123,358 | \$321,661 | \$5,310,203 | \$3,121,685 | \$13,787,121 | \$1,823,921 | \$1,255,693 | \$38,743,642 |
| | | | | | | | | \$37,872,662 |

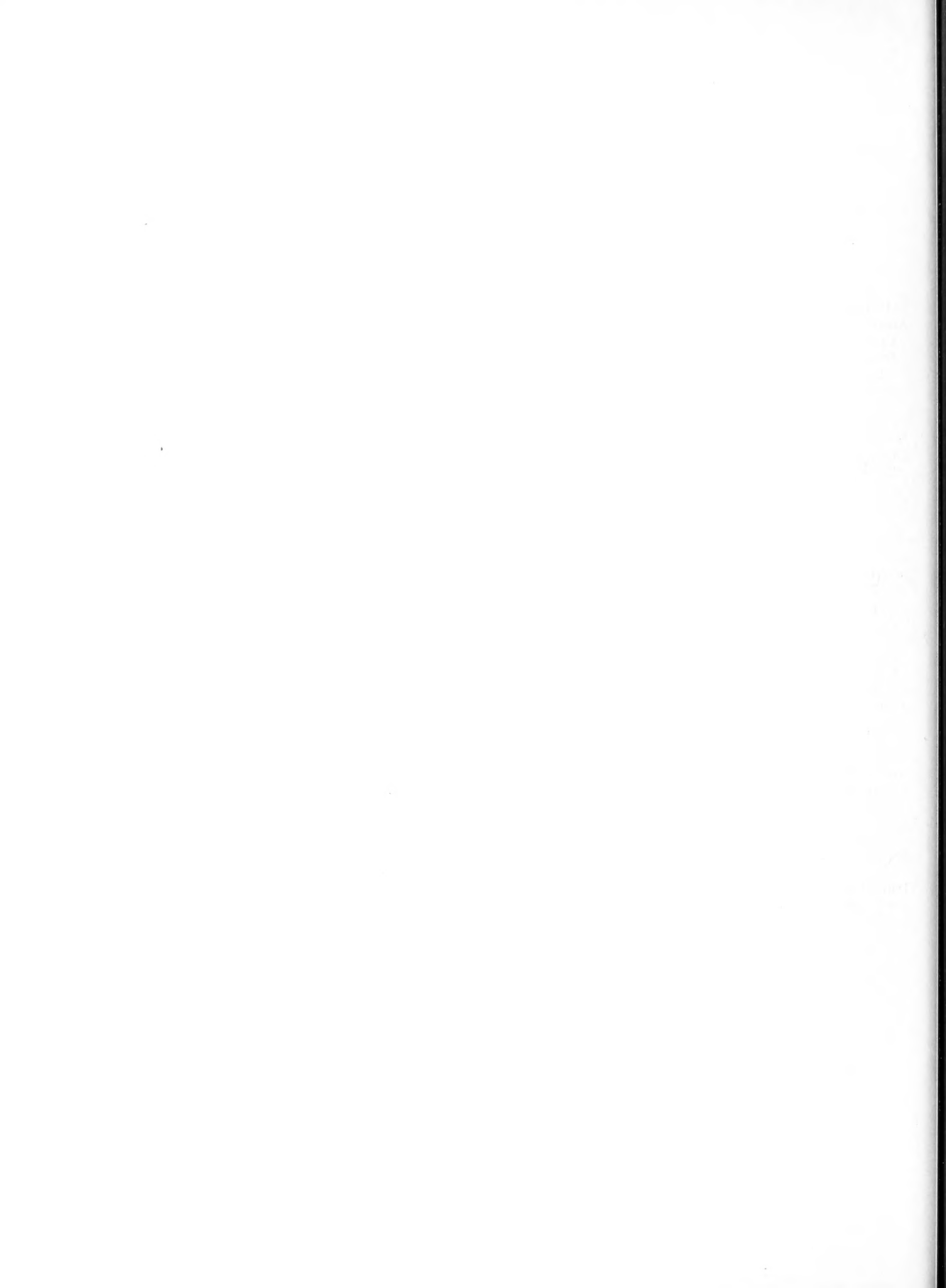
See accompanying notes to general purpose financial statements.

Exhibit F-10
CITY OF BOSTON AND COUNTY OF SUFFOLK
ALL AGENCY FUNDS
Statement of Changes in Assets and Liabilities
June 30, 1988

| | Balance July 1, 1987 | Additions | Deductions | Balance June 30, 1988 |
|--|-------------------------|---------------|---------------|--------------------------|
| BLUE CROSS/BLUE SHEILD AGENCY FUND | | | | |
| Assets: | | | | |
| Cash and short-term investments | \$ 10,299,412 | \$ 45,088,903 | \$ 48,825,416 | \$ 6,562,899 |
| Other investments | — | 5,264,581 | — | 5,264,581 |
| Due from other funds | 5,283,065 | — | 5,283,065 | — |
| Other assets | 3,500,000 | — | 3,500,000 | — |
| Total assets | \$ 19,082,477 | \$ 50,353,484 | \$ 57,608,481 | \$ 11,827,480 |
| Liabilities: | | | | |
| Other accrued liabilities | \$ 6,404,212 | \$ 8,462,591 | \$ 6,169,212 | \$ 8,687,591 |
| Due to other funds | 12,678,264 | — | 9,548,376 | 3,129,889 |
| Total liabilities | \$ 19,082,477 | \$ 8,462,591 | \$ 15,717,588 | \$ 11,827,480 |
| BOSTON REDEVELOPMENT AUTHORITY FUND | | | | |
| Assets: | | | | |
| Cash and short-term investments | \$ 31,637 | — | \$ 31,637 | — |
| Other investments | 3,530,180 | \$ 1,607,121 | 2,501,916 | \$ 2,635,385 |
| Receivables: | | | | |
| Intergovernmental | 318,000 | 210,402 | 318,000 | 210,402 |
| Accounts | (48,475) | 1,309,951 | 1,261,476 | — |
| Notes | — | 22,960,544 | — | 22,960,544 |
| Other assets | 210,402 | — | 210,402 | — |
| Total assets | \$ 4,041,744 | \$ 26,088,018 | \$ 4,323,431 | \$ 25,806,331 |
| Liabilities: | | | | |
| Other accrued liabilities | \$ 2,889,020 | \$ 25,618,697 | \$ 2,911,788 | \$ 25,595,929 |
| Due to other funds | 1,152,724 | — | 942,322 | 210,402 |
| Total liabilities | \$ 4,041,744 | \$ 25,618,697 | \$ 3,854,110 | \$ 25,806,331 |

See accompanying notes to general purpose financial statements.

During 1988, the BRA changed its year-end from June 30 to September 30. As a result of this change, the current year financial statements of the BRA were unavailable. Accordingly, the City has included the June 30, 1987 accounts of BRA.



STATISTICAL SECTION
(Unaudited)



**STATISTICAL SECTION
(Unaudited)**

Table 1
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (a)
GAAP Basis
Last Ten Fiscal Years
(in thousands)

| Fiscal Year | General Government | Public Safety | Public Works | Property and Development | Libraries | Parks and Recreation | Human Services | Schools |
|-------------|--------------------|---------------|--------------|--------------------------|-----------|----------------------|----------------|-----------|
| 1979 | \$34,084 | \$ 89,686 | \$26,838 | \$ 4,550 | \$ 9,904 | \$ 8,541 | \$2,316 | \$197,133 |
| % of Total | 6.10% | 16.04% | 4.80% | 0.81% | 1.77% | 1.53% | 0.41% | 35.25% |
| % of Change | 19.04% | 6.28% | -23.87% | 78.92% | 7.75% | 0.61% | 760.97% | 12.90% |
| 1980 | \$37,267 | \$105,694 | \$30,072 | \$4,812 | \$10,326 | \$9,036 | \$2,957 | \$213,036 |
| % of Total | 5.68% | 16.10% | 4.58% | 0.73% | 1.57% | 1.38% | 0.45% | 32.45% |
| % of Change | 9.34% | 17.85% | 12.05% | 5.76% | 4.26% | 5.80% | 27.68% | 8.07% |
| 1981 | \$44,166 | \$103,485 | \$32,119 | \$4,968 | \$9,598 | \$9,592 | \$ 417 | \$234,422 |
| % of Total | 7.12% | 16.68% | 5.18% | 0.80% | 1.55% | 1.55% | 0.07% | 37.79% |
| % of Change | 18.51% | -2.09% | 6.81% | 3.24% | -7.05% | 6.15% | -85.90% | 10.04% |
| 1982 | \$43,997 | \$89,659 | \$29,154 | \$5,513 | \$7,991 | \$5,362 | \$ 384 | \$199,874 |
| % of Total | 7.76% | 15.80% | 5.14% | 0.97% | 1.41% | 0.95% | 0.07% | 35.23% |
| % of Change | -0.38% | -13.36% | -9.23% | 10.97% | -16.74% | -44.10% | -7.91% | -14.74% |
| 1983 | \$53,270 | \$106,966 | \$33,689 | \$ 594 | \$10,363 | \$5,562 | \$4,524 | \$211,500 |
| % of Total | 7.91% | 15.89% | 5.01% | 0.09% | 1.54% | 0.83% | 0.67 | 31.42% |
| % of Change | 21.08% | 12.83% | 15.56% | 59.68% | 29.68% | 3.73% | 46.41% | 5.82% |
| 1984 | \$33,817 | \$126,955 | \$37,960 | \$17,987 | \$12,271 | \$8,296 | \$5,116 | \$232,205 |
| % of Total | 5.06% | 18.99% | 5.68% | 2.69% | 1.84% | 1.24% | 0.77% | 34.74% |
| % of Change | -36.52% | 18.69% | 12.68% | 2,928.11% | 18.41% | 49.15% | 13.09% | 9.79% |
| 1985 | \$33,685 | \$123,537 | \$37,570 | \$15,724 | \$12,481 | \$6,967 | \$4,981 | \$252,203 |
| % of Total | 5.46% | 17.43% | 5.30% | 2.22% | 1.76% | 0.98% | 0.70% | 35.59% |
| % of Change | 14.40% | -2.69% | -1.03% | -12.58% | 1.71% | -16.02% | -2.64% | 8.61% |
| 1986 | \$35,140 | \$133,410 | \$36,077 | \$14,629 | \$13,147 | \$5,585 | \$4,769 | \$272,118 |
| % of Total | 4.87% | 18.49% | 5.00% | 2.03% | 1.82% | 0.77% | 0.66% | 37.72% |
| % of Change | -9.16% | 7.99% | -3.97% | -6.96% | 5.34% | -19.84% | -4.26% | 7.90% |
| 1987 | \$38,805 | \$169,528 | \$56,317 | \$19,140 | \$17,688 | \$9,074 | \$5,799 | \$284,746 |
| % of Total | 4.74% | 20.70% | 6.88% | 2.34% | 2.16% | 1.11% | 0.71% | 34.77% |
| % of Change | 10.43% | 27.07% | 56.10% | 30.84% | 34.54% | 62.47% | 21.60% | 4.64% |
| 1988 | \$43,752 | \$198,234 | \$64,962 | \$21,890 | \$20,155 | \$13,981 | \$5,738 | \$322,748 |
| % of Total | 4.68% | 21.23% | 6.96% | 2.34% | 2.16% | 1.50% | 0.61% | 34.56% |
| % of Change | 12.75% | 16.93% | 15.35% | 14.37% | 13.95% | 54.08% | -1.05% | 13.95% |

Note (a). Includes only expenditures that pertain to the General Fund.

Table 1
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (a)
GAAP Basis
Last Ten Fiscal Years
(in thousands)

| County | Retirement Costs | Other Employee Benefits | Judgments and Claims | State & District Assessments | Miscellaneous | Capital Outlays | Debt Service | Total |
|----------|---------------------|-------------------------------|-------------------------|------------------------------------|---------------|--------------------|-----------------|-----------|
| \$34,682 | \$73,478 | \$ 6,174 | \$11,469 | \$41,556 | \$10,846 | \$ 4,535 | \$3,399 | \$559,191 |
| 6.20% | 13.14% | 1.10% | 2.05% | 7.43% | 1.94% | 0.81% | 0.61% | 100.00% |
| 8.25% | 10.42% | -70.51% | 75.15% | 7.85% | 228.17% | 32.33% | 204.03% | 8.40% |
| \$12,347 | \$77,012 | \$ 9,327 | \$92,227 | \$39,984 | \$ 7,207 | \$ 2,254 | \$3,044 | \$656,602 |
| 1.88% | 11.73% | 1.42% | 14.05% | 6.09% | 1.10% | 0.34% | 0.46% | 100.00% |
| -64.40% | 4.81% | 51.07% | 704.14% | -3.78% | -33.55% | -50.30% | -10.44% | 17.42% |
| \$12,482 | \$57,934 | \$15,322 | \$39,685 | \$45,040 | \$ 3,940 | \$ 2,976 | \$4,192 | \$620,337 |
| 2.01% | 9.34% | 2.47% | 6.40% | 7.26% | 0.64% | 0.48% | 0.68% | 100.00% |
| 1.09% | -24.77% | 64.28% | -56.97% | 12.65% | -45.33% | 32.03% | 37.71% | -5.52% |
| \$12,554 | \$70,563 | \$22,264 | \$26,755 | \$48,555 | \$ 3,373 | \$ 164 | \$1,121 | \$567,283 |
| 2.21% | 12.44% | 3.92% | 4.72% | 8.56% | 0.59% | 0.03% | 0.20% | 100.00% |
| 0.58% | 21.80% | -45.31% | -32.58% | 7.80% | -14.39% | -94.49% | -73.26% | -8.55% |
| \$15,896 | \$69,860 | \$23,139 | \$80,114 | \$47,034 | \$2,064 | \$3,895 | \$4,609 | \$673,079 |
| 2.36% | 10.38% | 3.44% | 11.90% | 6.99% | 0.31% | 0.58% | 0.68% | 100.00% |
| 26.62% | -1.00% | 3.93% | 199.44% | -3.13% | 209.45% | 2,275.00% | 311.15% | 18.65% |
| \$17,565 | \$81,309 | \$27,323 | \$12,362 | \$47,531 | \$3,523 | \$1,378 | \$2,793 | \$668,391 |
| 2.63% | 12.16% | 4.09% | 1.85% | 7.11% | 0.53% | 0.21% | 0.42% | 100.00% |
| 10.50% | 16.39% | 18.08% | -84.57% | 1.06% | 70.69% | -64.62% | -39.40% | -0.70% |
| \$17,416 | \$92,461 | \$33,284 | \$6,742 | \$49,692 | \$5,788 | \$7,516 | \$3,600 | \$703,647 |
| 2.46% | 13.05% | 4.70% | 0.95% | 7.01% | 0.82% | 1.06% | 0.51% | 100.00% |
| -0.85% | 13.72% | 21.82% | -45.46% | 4.55% | 64.29% | 445.43% | 28.89% | 6.02% |
| \$18,947 | \$85,677 | \$29,546 | \$15,111 | \$45,575 | \$2,687 | \$4,142 | \$4,833 | \$721,393 |
| 2.63% | 11.88% | 4.10% | 2.09% | 6.32% | 0.37% | 0.57% | 0.67% | 100.00% |
| 8.79% | -7.34% | -11.23% | 124.13% | -8.29% | -53.58% | -44.89% | 34.25% | 1.80% |
| \$22,187 | \$92,466 | \$32,880 | \$11,585 | \$45,213 | \$3,534 | \$6,620 | \$3,402 | \$818,984 |
| 2.71% | 11.29% | 4.01% | 1.41% | 5.52% | 0.43% | 0.81% | 0.42% | 100.00% |
| 17.10% | 7.92% | 11.29% | -23.33% | -0.79% | 31.52% | 59.83% | -29.61% | 13.53% |
| \$25,867 | \$102,561 | \$43,791 | \$10,122 | \$46,868 | \$ 2,110 | \$6,311 | \$4,879 | \$933,959 |
| 2.77% | 10.98% | 4.69% | 1.03% | 5.02% | 0.22% | 0.68% | 0.52% | 100.00% |
| 16.59% | 10.92% | 33.18% | -12.63% | 3.66% | -40.58% | -4.67% | 43.42% | 14.04% |

Table 2
CITY OF BOSTON AND COUNTY OF SUFFOLK
GENERAL REVENUES BY SOURCE (a) (b)
GAAP BASIS
(in thousands)

| Fiscal Year | Real & Personal Property Tax | Excise Tax (c) | Payments in lieu of tax | License & Permits | Fines & Forfeits | Investment Income | Departmental Charges & Miscellaneous | Intergovernmental | Other | Total |
|-------------|------------------------------|----------------|-------------------------|-------------------|------------------|-------------------|--------------------------------------|-------------------|---------|-------------|
| 1979 | \$409,892 | \$18,225 | \$16,244 | \$ 3,906 | \$ 8,594 | \$ 7,379 | \$14,420 | \$168,695 | \$3,500 | \$ 650,855 |
| % of Total | 62.98% | 2.80% | 2.50% | 0.60% | 1.32% | 1.13% | 2.22% | 25.92% | 0.54% | 100.00% |
| % of Change | -1.87% | 73.09% | 2,406.79% | 14.58% | 6.41% | 299.73% | -10.71% | 46.43% | -10.19% | 13.48% |
| 1980 | \$399,417 | \$15,613 | \$18,829 | \$ 4,154 | \$ 6,985 | \$ 8,015 | \$16,731 | \$161,867 | \$3,897 | \$ 635,508 |
| % of Total | 62.85% | 2.46% | 2.96% | 0.65% | 1.10% | 1.26% | 2.63% | 25.47% | 0.61% | 100.00% |
| % of Change | -2.56% | -14.33% | 15.91% | 6.35% | -18.72% | 8.62% | 16.03% | -4.05% | 11.34% | -2.36% |
| 1981 | \$500,808 | \$13,190 | \$20,522 | \$ 4,629 | \$ 5,022 | \$ 9,994 | \$20,158 | \$173,805 | \$4,156 | \$ 752,284 |
| % of Total | 66.57% | 1.75% | 2.73% | 0.62% | 0.67% | 1.33% | 2.68% | 23.10% | 0.55% | 100.00% |
| % of Change | 25.38% | -15.52% | 8.99% | 11.43% | -28.10% | 24.69% | 20.48% | 7.38% | 6.65% | 18.38% |
| 1982 | \$419,107 | \$ 5,736 | \$21,740 | \$ 6,541 | \$24,823 | \$11,505 | \$21,033 | \$192,649 | \$4,341 | \$ 707,475 |
| % of Total | 59.24% | 0.81% | 3.07% | 0.92% | 3.51% | 1.63% | 2.97% | 27.23% | 0.61% | 100.00% |
| % of Change | -16.31% | -56.51% | 5.94% | 41.30% | 394.29% | 15.12% | 4.34% | 10.84% | 4.45% | -5.96% |
| 1983 | \$382,322 | \$ 8,149 | \$32,334 | \$ 9,601 | \$25,899 | \$ 4,688 | \$26,065 | \$236,771 | \$4,621 | \$ 730,450 |
| % of Total | 52.34% | 1.12% | 4.43% | 1.31% | 3.55% | 0.64% | 3.57% | 32.41% | 0.63% | 100.00% |
| % of Change | -8.78% | 42.07% | 48.73% | 46.78% | 4.33% | -59.25% | 25.91% | 22.90% | 6.45% | 3.25% |
| 1984 | \$305,882 | \$ 9,511 | \$19,494 | \$10,170 | \$25,906 | \$13,375 | \$23,395 | \$267,406 | \$4,870 | \$ 680,009 |
| % of Total | 44.98% | 1.40% | 2.87% | 1.50% | 3.81% | 1.97% | 3.44% | 39.32% | 0.72% | 100.00% |
| % of Change | -19.99% | 16.71% | -39.71% | 5.93% | 0.03% | 185.30% | -10.24% | 12.94% | 5.39% | -6.91% |
| 1985 | \$338,022 | \$ 9,356 | \$43,702 | \$12,062 | \$29,170 | \$16,127 | \$25,628 | \$299,555 | \$5,124 | \$ 778,746 |
| % of Total | 43.41% | 1.20% | 5.61% | 1.55% | 3.75% | 2.07% | 3.29% | 38.47% | 0.66% | 100.00% |
| % of Change | 10.51% | -1.63% | 124.18% | 18.06% | 12.60% | 20.58% | 9.54% | 12.02% | 5.22% | 14.52% |
| 1986 | \$319,823 | \$30,876 | \$36,360 | \$17,817 | \$33,931 | \$21,324 | \$35,672 | \$307,425 | \$5,423 | \$ 808,651 |
| % of Total | 39.55% | 3.82% | 4.50% | 2.20% | 4.20% | 2.64% | 4.41% | 38.02% | 0.67% | 100.00% |
| % of Change | -5.38% | 230.01% | -16.80% | 47.71% | 16.32% | 32.23% | 39.19% | 2.63% | 5.84% | 3.84% |
| 1987 | \$357,558 | \$42,321 | \$41,110 | \$18,592 | \$36,878 | \$20,215 | \$33,621 | \$358,896 | \$5,522 | \$ 914,713 |
| % of Total | 39.09% | 4.63% | 4.49% | 2.03% | 4.03% | 2.21% | 3.68% | 39.24% | 0.60% | 100.00% |
| % of Change | 11.80% | 37.07% | 13.06% | 4.35% | 8.69% | -5.20% | -5.75% | 16.74% | 1.83% | 13.12% |
| 1988 | \$499,607 | \$42,933 | \$45,969 | \$19,990 | \$40,559 | \$22,870 | \$42,253 | \$382,746 | \$5,819 | \$1,102,746 |
| % of Total | 45.31% | 3.89% | 4.17% | 1.81% | 3.68% | 2.07% | 3.83% | 34.71% | 0.53% | 100.00% |
| % of Change | 39.73% | 1.45% | 11.82% | 7.52% | 9.98% | 13.13% | 25.67% | 6.65% | 5.38% | 20.56% |

Note (a). Includes only revenues pertaining to General Funds.

Note (b). Other financing sources (e.g. Bond proceeds and Operating transfers in) have been excluded from all years.

Note (c). Excise collections consist of Motor Vehicle, Hotel/Motel and Aircraft Fuel excise receipts. Prior to fiscal year 1986, only Motor Vehicle Excises were collected.

Table 3
CITY OF BOSTON AND COUNTY OF SUFFOLK
PROPERTY TAX, LEVIES AND COLLECTION
Last Ten Years
(\$ in millions)

| Fiscal Year | Tax Levy | | | Tax Levy Collected Within Year of Levy | | | Tax Levy Net of Refunds Collected as of June 1, 1988 | | | All Taxes Collected in Fiscal Year |
|----------------|----------|---------|----------------|--|--------------------|------------------|---|--------------------|------------------|--|
| | Gross(1) | Net | Net % Gross | Gross Amount | % Gross Levy | % Net Levy | Net Amount | % Gross Levy | % Net Levy | Net Amount |
| 1979 | \$436.3 | \$411.6 | 94.3% | \$391.5 | 89.7% | 95.1% | \$374.5 | 85.9% | 91.0% | \$384.0 |
| 1980 | 439.5 | 414.7 | 94.3% | 397.2 | 90.4% | 95.8% | 386.2 | 87.9% | 93.2% | 387.5 |
| 1981 | 518.7 | 494.0 | 95.2% | 472.3 | 91.0% | 95.5% | 451.8 | 87.1% | 91.5% | 459.6 |
| 1982 | 440.7 | 416.6 | 94.5% | 410.1 | 93.1% | 98.4% | 396.2 | 89.9% | 95.1% | 381.1 |
| 1983 | 374.6 | 354.4 | 94.6% | 161.7 | 43.2% | 45.6%(4) | 333.6 | 89.0% | 94.1% | 130.3 |
| 1984 | 334.0 | 313.1 | 93.7% | 311.0 | 93.1% | 99.3% | 299.8 | 89.7% | 95.7% | 408.1(3) |
| 1985 | 363.9 | 345.6 | 95.0% | 340.6 | 93.6% | 98.5% | 332.7 | 91.4% | 96.2% | 306.7 |
| 1986 | 394.6 | 370.0 | 93.8% | 376.0 | 95.3% | 101.6% | 371.2 | 94.1% | 100.3% | 180.6 |
| 1987 | 422.5 | 394.6 | 94.1% | 407.1 | 96.4% | 102.4% | 403.8 | 95.6% | 102.0% | 590.0(2) |
| 1988 | 451.9 | 425.0 | 94.0% | 422.4 | 93.5% | 99.4% | 421.6 | 93.3% | 99.2% | 419.6 |

(1) Includes omitted assessments assessed in all fiscal years except 1986 and 1988.

(2) Includes amounts collected on account of the fiscal 1986 levy. Final tax bills for fiscal 1986 were not mailed until after the last day of the fiscal 1986 due to delayed certification of revalued property assessments.

(3) Includes amounts collected on account of the fiscal 1983 levy. See footnote 4 to this table.

(4) The relatively low percentage of the fiscal 1983 levy collected within fiscal 1983 reflects the fact that the final bills were not mailed until the last day of fiscal 1983 due to delayed certification of revalued property assessments.

Source: City of Boston Treasury Department.

Table 4
CITY OF BOSTON AND COUNTY OF SUFFOLK
ASSESSED MARKET VALUE OF ALL TAXABLE PROPERTY
Last Ten Years

| Fiscal Year | Real Property | | Personal Property | | Total | | Population |
|-------------|------------------|------------|-------------------|------------|------------------|------------|------------|
| | Assessed Value | Per Capita | Assessed Value | Per Capita | Assessed Value | Per Capita | |
| 1979 | \$ 1,481,346,400 | \$ 2,631 | \$ 243,653,600 | \$ 433 | \$ 1,725,000,000 | \$ 3,064 | 562,994 |
| 1980 | 1,494,316,500 | 2,654 | 243,683,500 | 433 | 1,738,000,000 | 3,087 | 562,994 |
| 1981 | 1,636,587,000 | 2,907 | 265,413,000 | 471 | 1,902,000,000 | 3,378 | 562,994 |
| 1982 | 1,635,769,200 | 2,917 | 272,932,300 | 487 | 1,908,701,500 | 3,403 | 560,847 |
| 1983 | 10,089,026,535 | 17,989 | 1,695,417,721 | 3,023 | 11,784,444,256 | 21,012 | 560,847 |
| 1984 | 11,202,181,007 | 19,628 | 1,821,847,318 | 3,192 | 13,024,028,325 | 22,820 | 570,719 |
| 1985 | 13,218,885,271 | 23,162 | 1,577,990,719 | 2,765 | 14,796,875,990 | 25,927 | 570,719 |
| 1986 | 17,991,130,089 | 31,365 | 1,681,352,676 | 2,931 | 19,672,482,765 | 34,297 | 573,600 |
| 1987 | 21,775,401,986 | 37,963 | 1,734,251,712 | 3,023 | 23,509,653,698 | 40,986 | 573,600 |
| 1988 | 26,264,874,473 | 45,790 | 1,746,614,718 | 3,045 | 28,011,489,191 | 48,835 | 573,600 |

*Massachusetts communities are required to assess real and personal property taxes on the "full and fair cash value" as certified by the Mass. Department of Revenue. This value, which approximates the estimated sales value previously calculated independently by the Boston Redevelopment Authority, is now calculated by the City's Assessing Department by each January 1st every three years.

Source: City of Boston Assessing Department

Exempt properties are not included.

Table 5
CITY OF BOSTON AND COUNTY OF SUFFOLK
PROPERTY TAX RATES
All Overlapping Governments
Last Ten Years

| Fiscal Year | School | General | Total |
|----------------|---------|----------|----------|
| 1979 | \$73.64 | \$179.26 | \$252.90 |
| 1980 | 74.38 | 178.52 | 252.90 |
| 1981 | 76.37 | 196.33 | 272.70 |
| 1982 | 90.80 | 140.10 | 230.90 |
| 1983* | | | |
| Residential | 9.23 | 12.24 | 21.47 |
| C.I.P. | 17.33 | 22.97 | 40.30 |
| 1984 | | | |
| Residential | 6.91 | 10.19 | 17.10 |
| C.I.P. | 13.15 | 19.39 | 32.54 |
| 1985 | | | |
| Residential | 7.21 | 9.21 | 16.42 |
| C.I.P. | 13.77 | 17.59 | 31.36 |
| 1986 | | | |
| Residential | 6.39 | 7.07 | 13.46 |
| C.I.P. | 12.28 | 13.57 | 25.85 |
| 1987 | | | |
| Residential | 5.87 | 6.15 | 12.02 |
| C.I.P. | 11.49 | 12.06 | 23.55 |
| 1988 | | | |
| Residential | 5.87 | 4.90 | 10.77 |
| C.I.P. | 11.80 | 9.86 | 21.66 |

*Property classification was implemented in fiscal year 1983, prior to fiscal year 1983 class data was not reported.

C.I.P. = Commercial, Industrial, Personal Property.

Source: City of Boston Assessing Department.

Table 6
CITY OF BOSTON AND COUNTY OF SUFFOLK
RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND
NET BONDED DEBT PER CAPITA
last ten years

| Fiscal Year | Population | Assessed Value | Gross Bonded Debt | Less: Self- supporting Debt | Less: Debt Service Funds | Net Bonded Debt | Ratio of Net Bonded Debt to Value Assessed | Net Bonded Debt Per Capita |
|----------------|------------|-------------------|-------------------------|--------------------------------------|-----------------------------------|-----------------------|--|-------------------------------------|
| 1979 | 562,994 | \$ 1,725,000,000 | \$527,288,500 | \$22,383,500 | \$ 46,825,321 | \$458,079,679 | 26.6% | \$813.6 |
| 1980 | 562,994 | 1,738,000,000 | 542,303,500 | 21,248,500 | 42,528,607 | 478,526,393 | 27.5% | 850.0 |
| 1981 | 562,994 | 1,902,000,000 | 498,003,500 | 19,888,500 | 41,995,000 | 436,120,000 | 22.9% | 774.6 |
| 1982 | 560,847 | 1,908,701,500 | 455,533,500 | 10,306,935 | 41,915,000 | 403,311,565 | 21.1% | 719.1 |
| 1983 | 560,847 | 11,784,444,256 | 459,138,500 | 62,168,500 | 80,135,000 | 316,835,000 | 2.7% | 564.9 |
| 1984 | 570,719 | 13,024,028,325 | 503,793,500 | 60,288,500 | 19,647,000 | 423,858,000 | 3.3% | 742.7 |
| 1985 | 570,719 | 14,796,875,990 | 530,778,356 | 59,208,500 | 24,549,000 | 447,020,856 | 3.0% | 783.3 |
| 1986 | 573,600 | 19,672,482,765 | 548,748,356 | 55,353,500 | 34,739,000 | 458,655,856 | 2.3% | 799.6 |
| 1987 | 573,600 | 23,509,653,698 | 510,833,356 | 51,353,500 | 105,610,000 | 353,869,856 | 1.5% | 616.9 |
| 1988 | 573,600 | 28,011,489,191 | 455,578,500 | 46,248,500 | 114,709,000 | 294,621,000 | 1.1% | 513.6 |

Table 7
CITY OF BOSTON AND COUNTY OF SUFFOLK
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 1988

| | | |
|---|---------------------|-----------------|
| Equalized Valuation as of January 1, 1986 for use in fiscal 1988 and fiscal 1989 | \$22,763,118,000(1) | |
| | 2.5% | 5.0% |
| Maximum debt limits. | \$569,077,950 | \$1,138,155,900 |
| Debt outstanding June 30, 1987 | \$130,314,294 | |
| Loans authorized but unissued June 30, 1987 | \$152,700,000 | |
| | 283,014,294 | 283,014,294 |
| Available Debt incurring capacity July 1, 1987 | 286,063,656 | 855,141,606 |
| Add: Sinking Fund surplus for debt retirement. | 63,089 | 63,089 |
| Add: Debt redeemed July 1, 1987 to June 30, 1988 | 17,039,629 | 17,039,629 |
| Less: City Council authorizations for fiscal 1988 | 70,875,000 | 70,875,000 |
| Debt Margin | \$232,291,374 | \$801,369,324 |

Note (1). The laws of the Commonwealth provide for general debt limit for the City consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2.5 % of the valuation of taxable property in the City as last equalized by the State Department of Revenue. The City may authorize debt up to this limit without State approval, and may also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.

Table 8
CITY OF BOSTON AND COUNTY OF SUFFOLK
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT
TO GROSS GOVERNMENTAL OPERATING EXPENDITURES
Last Ten Years
(thousands of \$)

| Fiscal Year | Principal | Interest | Total Debt Service | Total General Governmental Expenditures | Ratio of Debt Service to Expenditures |
|----------------|-----------|----------|-----------------------|---|---|
| 1979 | \$38,295 | \$32,970 | \$71,265 | \$559,191 | 12.7% |
| 1980 | 39,985 | 34,468 | 74,453 | 656,602 | 11.3% |
| 1981 | 44,300 | 32,495 | 76,795 | 620,337 | 12.4% |
| 1982 | 43,736 | 30,652 | 74,388 | 567,283 | 13.1% |
| 1983 | 45,521 | 29,775 | 75,296 | 676,982 | 11.1% |
| 1984 | 42,556 | 28,299 | 70,855 | 668,391 | 10.6% |
| 1985 | 45,116 | 31,162 | 76,278 | 708,647 | 10.8% |
| 1986 | 47,072 | 35,799 | 82,871 | 721,393 | 11.5% |
| 1987 | 48,624 | 37,357 | 85,981 | 818,984 | 10.5% |
| 1988 | 50,702 | 35,035 | 85,737 | 933,959 | 9.2% |

Table 9
CITY OF BOSTON AND COUNTY OF SUFFOLK
INDIRECT DEBT
Year ended June 30, 1988

| Name of Related Entity | Outstanding Debt | Boston Share (Note C) | | |
|--|---------------------|-----------------------|------------|----------------------|
| | | Percent | Amount | Total |
| DIRECT Debt (A): | | | | |
| Principal Amount | \$455,578,500 | | | <u>\$455,578,500</u> |
| Total DIRECT Debt | — | — | — | 455,578,500 |
| INDIRECT Debt (B): | | | | |
| M.B.T.A. | 150,140,000 | 42.08% | 63,178,912 | 63,178,912 |
| Commonwealth — Park | 70,262,194 | 19.20% | 13,490,341 | <u>13,490,341</u> |
| Total INDIRECT Debt | — | — | — | <u>76,669,253</u> |
| Total DIRECT and INDIRECT Debt | — | — | — | <u>\$532,247,753</u> |

Note (A). Approximately \$126.8 million of the City's direct debt is deemed payable from State reimbursements, Sinking Funds, and contributions by the Water and Sewer Commission.

Note (B). Not recorded on the books of the City of Boston; obtained from the M.B.T.A. — Treasurer/Controller and the Metropolitan Parks District — Treasurer.

Note (C). Annual installments are included in M.B.T.A. and M.D.C. assessments payable from General Revenue.

Table 10
CITY OF BOSTON AND COUNTY OF SUFFOLK
LARGEST TAXPAYERS: CITY OF BOSTON (1)
(in thousands)

| | Personal Property | Real Property | Total Assessed Value | Fiscal 1988 Taxes |
|---|----------------------|------------------|----------------------------|-------------------------|
| John Hancock Mutual Life Insurance | | \$628,413 | \$628,413 | \$13,611 |
| Prudential Insurance Company of America (2) | | 667,000 | 667,000 | 12,185 |
| Boston Edison Company | \$765,000 | 473,590 | 1,238,590 | 10,258 |
| Equitable Federal Street Realty Company | | 345,552 | 345,552 | 7,485 |
| Bertram A. Druker Trust | | 296,374 | 296,374 | 6,115 |
| Massachusetts Port Authority (3) | | 122,641 | 122,641 | 5,819 |
| David W. Dailey Trust | | 260,546 | 260,546 | 5,634 |
| UIDC of Mass., Inc. | | 243,482 | 243,482 | 5,274 |
| Olympia & York St Co. | | 239,100 | 239,100 | 5,179 |
| Equitable Life Assurance Co. | | 234,064 | 234,064 | 5,070 |
| Bostrose Associates | | 226,084 | 226,084 | 4,897 |
| Post Office Square Co. | | 189,043 | 189,043 | 4,095 |
| Hexalon Real Estate, Inc. | | 178,783 | 178,783 | 3,872 |
| David Rose | | 173,780 | 173,780 | 3,764 |
| Federal Reserve Bank of Boston | | 170,677 | 170,677 | 3,697 |
| Fort Hill Associates | | 146,293 | 146,293 | 3,169 |
| Center Plaza Associates | | 137,890 | 137,890 | 2,987 |
| Faneuil Hall Market Lessee | | 131,675 | 131,675 | 2,852 |
| 28 State Street Associates | | 112,942 | 112,942 | 2,446 |
| 75 Federal Street Associates | | 108,320 | 108,320 | 2,345 |
| Lawrence Ruben Trust (4) | | 144,941 | 144,941 | 2,281 |
| Rowe's Wharf Associates | | 112,066 | 112,066 | 1,939 |
| New England Telephone Co. | 156,153 | 88,541 | 244,694 | 1,918 |
| Medical Area Total Energy Plant (5) | | 44,000 | 44,000 | 1,869 |
| Marriott Urban Lessee | | 86,008 | 86,008 | 1,863 |

(1) Includes all major parcels.

(2) Includes \$11.8 million in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the General Laws.

(3) This payment is an in-lieu-of tax payment, expressly permitted by statute, paid pursuant to a contract with the City which requires payments in each of the past seven years; this contract has been annually reviewed and extended for the past eight years.

(4) Includes \$1.7 million in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the General Laws.

(5) Includes \$1.7 million in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the General Laws.

Source(s): City of Boston Assessing and Treasury Departments.

Table 11
INDUSTRY EMPLOYMENT TRENDS AND PROJECTIONS IN THE CITY OF BOSTON
SELECTED FISCAL YEARS

| INDUSTRY | 1980 | 1987 | 1988 | % Change 1987-1988 | 1990 | 1995 | 2000 | % Change 1988-2000 |
|--|----------------|----------------|----------------|-----------------------|----------------|----------------|----------------|-----------------------|
| Fishing, Mining | 908 | 1,450 | 1,464 | 1.0% | 1,300 | 1,300 | 1,300 | -11.2% |
| Construction | 11,443 | 15,828 | 15,486 | -2.2% | 14,500 | 15,100 | 15,400 | -0.6% |
| Manufacturing | 52,337 | 37,295 | 36,162 | -3.0% | 41,700 | 41,000 | 40,300 | 11.4% |
| Transportation/ Communication/ Utilities | 37,496 | 35,648 | 37,504 | 5.2% | 37,300 | 39,000 | 40,500 | 8.0% |
| Retail and Wholesale Trade .. | 87,036 | 89,308 | 87,807 | -1.7% | 93,500 | 96,500 | 98,900 | 12.6% |
| Finance/Insurance/ Real Estate | 73,782 | 94,036 | 97,546 | 3.7% | 93,900 | 100,900 | 108,100 | 10.8% |
| Services | 200,650 | 243,728 | 261,095 | 7.1% | 266,700 | 302,000 | 336,100 | 28.7% |
| Government | 97,321 | 103,045 | 107,580 | 4.4% | 102,100 | 104,200 | 105,400 | -2.0% |
| Total | 560,973 | 620,338 | 644,644 | 3.9% | 651,000 | 700,000 | 746,000 | 15.7% |

1988 City Population: 573,600

1988 Ratio of Jobs to Population: 1.12

Source: Boston Redevelopment Authority. 1988 is based on 3 months of data compared to that of the previous year.

Table 12
UNEMPLOYMENT RATES

| | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | October | |
|---------------------|------|------|------|------|------|------|------|------|---------|------|
| | | | | | | | | | 1987 | 1988 |
| City | 6.1% | 7.0% | 9.1% | 7.8% | 5.5% | 4.6% | 4.4% | 3.2% | 2.9% | 3.1% |
| Boston PMSA (1) | 5.0 | 5.7 | 6.7 | 5.8 | 4.1 | 3.4 | 3.8 | 2.7 | 2.3 | 2.5 |
| Massachusetts | 5.6 | 6.4 | 7.9 | 6.9 | 4.8 | 3.9 | 3.8 | 3.2 | 2.7 | 2.8 |
| United States | 7.1 | 7.6 | 9.7 | 9.6 | 7.1 | 7.2 | 7.0 | 6.2 | 5.7 | 5.0 |

(1) Primary Metropolitan Statistical Area — includes 106 cities and towns.

Sources: U.S. Bureau of Labor Statistics; Massachusetts Division of Employment Security.

Table 13
CITY OF BOSTON AND COUNTY OF SUFFOLK
BOSTON DEVELOPMENT SUMMARY (1)
(in thousands of \$ constant value at 1986 prices)

| Year | Office | Retail | Medical | Educational Recreational and Cultural | Parking and Transportation | Industrial | Convention and Hotel Exhibition | Residential | Total |
|-------------|-------------|------------|------------|--|-------------------------------|------------|--|-------------|-------------|
| 1979 | \$ 38,367 | \$ 5,099 | — | \$ 36,273 | — | \$ 7,699 | \$ 11,800 | \$ 90,581 | \$ 189,819 |
| 1980 | 20,159 | 5,477 | \$ 93,525 | 24,450 | — | 7,242 | — | 55,076 | 205,929 |
| 1981 | 208,563 | 9,709 | 30,453 | 48,115 | — | 497,916 | 38,979 | 51,545 | 885,280 |
| 1982 | 122,592 | 18,652 | 83,014 | 10,764 | \$ 10,534 | 33,827 | 108,433 | 132,742 | 520,558 |
| 1983 | 33,382 | 16,600 | 79,402 | 51,207 | 59,510 | 66,540 | 150,373 | 136,651 | 593,665 |
| 1984 | 608,083 | 125,535 | 62,888 | 35,690 | 60,637 | 40,242 | 152,354 | 65,935 | 1,151,364 |
| 1985 | 178,041 | 24,826 | 38,895 | 18,937 | 8,335 | 33,494 | 120,666 | 61,555 | 484,749 |
| 1986 | 279,248 | 32,523 | 2,000 | 21,840 | 89,266 | 5,940 | 73,380 | 177,143 | 681,340 |
| 1987 | 416,238 | 32,504 | 125,061 | 50,796 | 45,929 | 15,043 | 30,500 | 231,835 | 947,906 |
| 1988* | 523,956 | 43,772 | 50,300 | 58,830 | 80,065 | 79,600 | 100,000 | 305,113 | 1,241,636 |
| | \$2,428,629 | \$ 314,697 | \$ 565,538 | \$ 356,902 | \$ 354,276 | \$ 787,543 | \$ 786,485 | \$1,308,176 | \$6,902,246 |

(1) Private investment (actual or scheduled), by year of completion, measured in terms of construction cost (excluding land acquisition, financing and development costs, which would increase the cost by an additional 50%).

* Projected.

Source: Boston Redevelopment Authority.

Table 14
CITY OF BOSTON AND COUNTY OF SUFFOLK
COMPARATIVE CITIES DOWNTOWN CLASS A OFFICE MARKETS
Vacancy Rates, Average Rents, Total Inventory, and Vacant Space
Spring, 1988
(12 Largest Office Markets, ranked by vacancy rate)

| Downtown | Vacancy Rate | Av. Rent \$/s.f. | Total Space (million s.f.) | Vacant Space (million s.f.) |
|---------------------|-----------------|---------------------|-------------------------------|--------------------------------|
| Washington | 9.3% | \$28.00 | 64 | 6.0 |
| New York | 10.7% | 41.26 | 143 | 15.3 |
| Boston | 10.9% | 34.00 | 35 | 3.8 |
| Philadelphia | 13.2% | 23.00 | 36 | 4.8 |
| Chicago | 14.1% | 29.81 | 112 | 15.8 |
| Pittsburgh | 14.5% | 21.18 | 35 | 5.1 |
| Los Angeles | 15.5% | 29.00 | 25 | 3.9 |
| San Francisco | 17.3% | 23.70 | 38 | 6.6 |
| Atlanta | 17.9% | 21.66 | 28 | 5.0 |
| Houston | 23.9% | 12.00 | 36 | 8.6 |
| Dallas | 28.4% | 20.94 | 30 | 8.5 |
| Denver | 30.7% | 12.00 | 25 | 7.7 |

Source: The Office Network, International Office Market Report, Fall/Winter 1988.

Table 15
CITY OF BOSTON AND COUNTY OF SUFFOLK
SCHEDULE OF TREASURER'S CASH AND INVESTMENTS
Year ended June 30, 1988

| Financial Institution | Demand Deposits | Money Market Accounts | Certificates of Deposit | U.S. Treasury Bills | Repurchase Agreements | Totals |
|--------------------------------------|-----------------|-----------------------|-------------------------|---------------------|-----------------------|---------------|
| Bank of Boston | \$1,154,891 | | | | \$20,500,000 | \$ 21,654,891 |
| Bank of Commerce | | | \$ 1,500,000 | | | 1,500,000 |
| Bank of New England | 205,116 | \$ 65,264,091 | | | 7,600,000 | 73,069,207 |
| Boston Bank of Commerce | 100,000 | | | | | 100,000 |
| Boston Five Cents Savings | | | 15,000,000 | | | 15,000,000 |
| Boston Private Bank & Trust Co. | | | 3,000,000 | | | 3,000,000 |
| Boston Safe Deposit & Trust | 100,000 | 50,000,000 | | | | 50,100,000 |
| Boston Trade Bank | | | 11,000,000 | | | 11,000,000 |
| Central Coop. Bank | | | 11,000,000 | | | 11,000,000 |
| Century Bank | | | 9,000,000 | | | 9,000,000 |
| Citibank, New York | 25,000 | | | | | 25,000 |
| Eliot Bank | | | 1,000,000 | | | 1,000,000 |
| MMDT | | 40,000,000 | | | | 40,000,000 |
| Massachusetts Company | | | 15,000,000 | | | 15,000,000 |
| Mt. Washington | | | 1,000,000 | | | 1,000,000 |
| Newworld Bank | | | 13,000,000 | | | 13,000,000 |
| Olympic Bank | | | 10,000,000 | | | 10,000,000 |
| Provident Inst. for Savings | | | 200,000 | | | 200,000 |
| Shawmut Bank of Boston, N.A. | 124,393 | | | \$40,037,605 | 13,198,000 | 53,359,999 |
| Somerset Bank | | | 5,000,000 | | | 5,000,000 |
| South Boston Savings Bank | | | 20,000,000 | | | 20,000,000 |
| State Street Bank and Trust | 887,244 | | | | | 887,244 |
| U.S. Trust Company | 726,454 | | | | | 726,454 |
| | \$3,323,098 | \$155,264,091 | \$115,700,000 | \$40,037,605 | \$41,298,000 | \$355,622,795 |

Table 16
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
Year ended June 30, 1988

| Treasurer's Cash | General Fund | Special Revenue Fund | Dept Service Fund | Capital Projects Fund | Totals |
|--|-----------------|----------------------------|-------------------------|-----------------------------|----------------------|
| Cash balance June 30, 1987 | \$ 266,816,736 | \$ 6,387,734 | \$ 38,263,737 | \$145,752,293 | \$ 457,220,500 |
| Receipts | 1,649,549,049 | 27,713,676 | 9,463,619 | 14,087,971 | 1,700,814,315 |
| Disbursements | 1,676,693,616 | 31,876,136 | 7,689,750 | 86,152,518 | 1,802,412,020 |
| Cash balance June 30, 1988 | \$ 239,672,169 | \$ 2,225,274 | \$ 40,037,606 | \$ 73,687,746 | \$ 355,622,795 |
| Component Units Note 3 | | | | | |
| State-Boston Retirement System "SBRs" | | | | | \$115,837,374 |
| Boston Redevelopment Authority "BRA" | | | | | 29,849,866 |
| Trustees of Health and Hospitals "THH" | | | | | 7,337,291 |
| Economic Development and Industrial Corporation of Boston "EDIC" | | | | | 1,221,948 |
| Trust and Agency Funds | | | | | 37,092,999 |
| GAAP and Other Adjustments | | | | | 22,366,727 |
| Total Cash and Cash Equivalents | | | | | <u>\$569,329,000</u> |

Note (3). See the definition of the "Reporting Entity" within Notes 1 and 3 of the Combined Financial Statements.

Table 17
SCHEDULE OF CASH AND INVESTMENTS BY FUND
June 30, 1988

| | | |
|----------------------------------|---------------|-----------------------------|
| Fund Types: | | |
| General fund | | |
| Cash in Bank | \$ 2,830,136 | |
| Investments | 222,077,944 | |
| | | <u>\$224,908,080</u> |
| Special Revenue | | |
| Cash in Bank | \$ 94,217 | |
| Investments | 16,895,148 | |
| | | <u>\$ 16,989,365</u> |
| Capital Projects | | |
| Cash in Bank | \$ 398,745 | |
| Investments | 73,289,000 | |
| | | <u>\$ 73,687,745</u> |
| Debt Service | | |
| Cash in Bank | — | |
| Investments | \$ 40,037,606 | |
| | | <u>\$ 40,037,606</u> |
| Total cash and investments | | <u><u>\$335,622,795</u></u> |

Table 18
STATE-BOSTON RETIREMENT SYSTEM
Required Supplementary Information
Revenues by Source and Expenses by Type
(in thousands)
(unaudited)

Revenues by Source

| Year Ended June 30 (1) | Employee Contributions | Employer Contributions | Investment Income | Other Income | Total |
|---------------------------|---------------------------|---------------------------|----------------------|-----------------|-----------|
| 1988 | \$39,197 | \$132,302 | \$(6,495) | \$12,863 | \$177,867 |
| 1987 | 34,961 | 122,742 | 55,593 | 27,628 | 240,924 |
| 1986 | 31,017 | 116,069 | 134,065 | 1,233 | 282,384 |
| 1985 | 28,461 | 123,466 | 93,867 | 6,029 | 251,823 |
| 1984 | 25,529 | 113,443 | 2,893 | 4,925 | 146,790 |
| 1983 | 26,130 | 89,163 | 80,359 | 5,119 | 200,771 |
| 1982 | 24,566 | 88,777 | 28,319 | 77 | 141,739 |
| 1981 | 22,213 | 86,492 | 23,369 | 256 | 132,330 |
| 1980 | 22,639 | 78,652 | 5,158 | 76 | 106,525 |
| 1979 | 21,751 | 70,683 | 22,467 | 64 | 114,965 |

Expenses by Type

| Year Ended June 30 (1) | Benefits | Administrative Expenses | Refunds | Other Expenses | Total |
|---------------------------|-----------|----------------------------|---------|-------------------|-----------|
| 1988 | \$140,277 | \$3,133 | \$5,670 | \$7,856 | \$156,936 |
| 1987 | 133,859 | 1,286 | 11,634 | 3,224 | 150,003 |
| 1986 | 127,096 | 1,298 | 8,766 | 1,704 | 138,864 |
| 1985 | 119,603 | 1,376 | 8,830 | 2,596 | 132,405 |
| 1984 | 114,598 | 1,657 | 6,661 | 8,790 | 131,706 |
| 1983 | 114,782 | 1,382 | 8,860 | 727 | 125,751 |
| 1982 | 99,344 | 1,294 | 15,738 | 11,584 | 141,960 |
| 1981 | 96,972 | 1,012 | 12,957 | 4,756 | 115,697 |
| 1980 | 86,212 | 683 | 6,470 | 2,504 | 95,869 |
| 1979 | 78,770 | 638 | 6,554 | 2,951 | 88,913 |

(1) Except for 1981, 1980, and 1979 which are as of December 31.

Table 19
FIVE-YEAR CAPITAL PLAN EXPENDITURES
BY DEPARTMENT
(thousands of \$)

| City Share of Project Cost | | | | | | | | |
|----------------------------|----------------|---------------------|----------------|-----------------|---------------|-----------------------------|--------------------------|---------------------|
| Department | Total | Expended to Date | Fiscal 1988 | Fiscal 89-92 | Long Range | Other Funding Sources | Total Project Cost | Percent of Total |
| Police | \$ 29.6 | \$2.9 | \$5.6 | \$20.8 | \$0.3 | \$0.0 | \$29.6 | 3.2% |
| Fire | 21.4 | 3.3 | 2.3 | 9.4 | 6.4 | 5.1 | 26.5 | 2.9% |
| Health and Hospitals | 49.8 | 3.8 | 3.9 | 28.2 | 13.9 | 115.0 | 164.8 | 17.9% |
| Schools | 146.8 | 7.7 | 15.6 | 108.5 | 15.0 | 0.0 | 146.8 | 15.9% |
| Parks, Cem., Rec. | 72.0 | 5.6 | 11.4 | 35.8 | 19.2 | 5.7 | 77.7 | 8.4% |
| Community Schools | 20.1 | 1.8 | 7.8 | 10.5 | 0.0 | 1.5 | 21.6 | 2.3% |
| Library | 34.9 | 1.8 | 1.8 | 22.4 | 8.9 | 4.3 | 39.2 | 4.3% |
| Public Ways | 180.5 | 12.0 | 20.3 | 136.4 | 11.8 | 82.3 | 262.8 | 28.5% |
| Transportation | 3.5 | 0.5 | 0.8 | 1.8 | 0.4 | 2.5 | 6.0 | 0.7% |
| PFD Development | 8.0 | 0.1 | 1.4 | 5.7 | 0.8 | 0.0 | 8.0 | 0.9% |
| BRA | 36.2 | 6.0 | 5.4 | 22.3 | 2.5 | 28.3 | 64.5 | 7.0% |
| EDIC | 4.1 | 1.7 | 1.1 | 1.2 | 0.1 | 2.0 | 6.1 | 0.7% |
| Municipal Buildings | 44.8 | 1.6 | 4.0 | 35.9 | 3.3 | 9.2 | 54.0 | 5.9% |
| Courts/Corrections | 12.9 | 2.3 | 2.6 | 7.6 | 0.4 | 0.0 | 12.9 | 1.4% |
| Total | \$664.6 | \$51.1 | \$84.0 | \$446.5 | \$83.0 | \$255.9 | \$920.5 | 100.0% |

Source: Mayor's Office of Capital Planning.

*Rebuilding Boston: A Five-Year Capital Plan, Fiscal Years 1988-92, September, 1987.

Table 20
CITY OF BOSTON
MISCELLANEOUS STATISTICS
JUNE 30, 1988

| | |
|---|--------------------|
| Date of Incorporation | 1822 |
| Form of Government | Mayor/City Council |
| Area in acres | 30,598 |
| City of Boston Facilities and Services: | |
| Miles of streets | 780 |
| Number of street lights | 60,000 |
| Culture and Recreation: | |
| Community Centers | 55 |
| Parks and Playgrounds | 185 |
| Park acreage | 2,200 |
| Golf courses | 4 |
| Swimming pools | 16 |
| Tennis courts (City-owned) | 3 |
| Fire Protection: | |
| Number of stations | 34 |
| Personnel and Officers | 1,799 |
| Calls answered (1987) | 50,870 |
| Inspections conducted | 41,719 |
| Police Protection: | |
| Number of stations | 11 |
| Personnel and Officers | approx. 2,640 |
| Law violations: | |
| Physical arrests | 33,086 |
| Traffic violations | 176,498 |
| Parking violations | 1,985,968 |
| Education: | |
| Elementary schools | 82 |
| Elementary instructors | 3,282 |
| Secondary schools | 36 |
| Secondary instructors | 3,601 |
| Community colleges | 15 |
| State colleges | 9 |
| Universities | 3 |
| Hospitals (1987 figures): | |
| Number of hospitals | 30 |
| Number of patient beds | 8,858 |
| Libraries: | |
| Personnel | 589 |
| Central and branch libraries | 28 |
| Books in circulation | 2,195,836 |
| Periodicals in circulation | 85,232 |
| Films and records | 21,613 |
| Library cards in force | 423,055 |

TABLE 21
CITY OF BOSTON AND COUNTY OF SUFFOLK
NUMBER OF CITY AND COUNTY EMPLOYEES BY DEPARTMENT
Last Five Years

| | Feb. 1 1984 | Feb. 1 1985 | Feb. 1 1986 | Feb. 1 1987 | Feb. 1 1988 |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Mayor's Office | 88 | 12 | 22 | 25 | 25 |
| Arts & Humanities | — | — | — | — | 5 |
| Board of Rent Appeal | 12 | — | — | 4 | — |
| Rent Equity Board | — | — | — | 50 | 47 |
| Rent Control Adm. | — | 29 | — | — | — |
| Commission on Affairs of the Elderly | 196 | 93 | 82 | 80 | 88 |
| Commission on the Handicapped | 3 | 4 | 3 | 3 | 5 |
| Neighborhood Services | — | — | — | 41 | 44 |
| Conservation Commission | 15 | — | — | — | — |
| Human Rights | — | — | — | 4 | 3 |
| E.D.I.C. | 10 | 6 | 5 | — | — |
| Office of Fiscal Affairs | 13 | 6 | — | — | — |
| Office of Community Transportation | — | — | — | 11 | — |
| Community Services Administration | 12 | 5 | 7 | — | — |
| Office of Constituent Services | — | — | 15 | — | — |
| Mayor's Press Office | — | — | — | 4 | 6 |
| Business and Cultural Development | — | 13 | 12 | 15 | 16 |
| Capital Planning | — | — | 3 | 6 | 10 |
| Consumers Affairs | — | 14 | 9 | 15 | 18 |
| Women's Commission | — | — | 2 | 2 | 2 |
| Mayor's Office Licensing | — | 1 | 2 | — | — |
| Office of Property Equalization | 136 | — | — | — | — |
| Office of Public Information | — | 1 | 4 | — | — |
| Office of Community Participation | — | 11 | 8 | — | — |
| Office of Policy Management/Cable | — | 22 | 2 | 12 | — |
| Emergency Shelters Commission | — | 3 | — | 3 | — |
| City Council | 9 | 14 | 14 | 14 | 14 |
| City Council Officers and Employees | 36 | 47 | 54 | 50 | 54 |
| Administrative Services Department: | | | | | |
| Administrative Division | 17 | 17 | 16 | — | — |
| Personnel and Budget Division | 65 | — | — | — | — |
| Cable Comm. | — | 24 | 23 | 10 | 10 |
| Personnel | — | 35 | 34 | 41 | 46 |
| Purchasing Division | 23 | 26 | 24 | 28 | 31 |
| Printing Section | 61 | 70 | 58 | 54 | 56 |
| Data Processing | 69 | 72 | 71 | 82 | 94 |
| Health Insurance Unit | 17 | 19 | 19 | 16 | 19 |
| Labor Relations | 10 | 9 | 8 | 7 | 7 |
| Program and Evaluation | 19 | 24 | — | 47 | 46 |
| Trust Office | — | — | — | 3 | — |
| Adm. Contract Mgt. | — | — | — | — | 5 |
| Assessing Department | 78 | 197 | 186 | 165 | 166 |
| Auditing Department | 41 | 53 | 43 | 46 | 49 |
| Boston Retirement Board | 42 | 48 | 38 | 40 | 40 |
| Boston Retirement Board Members | 1 | 1 | 1 | 1 | 1 |
| Boston Traffic Department | 248 | 261 | 241 | 324 | 383 |
| Parking Clerk | 37 | 48 | 52 | 50 | 52 |
| Building Department: | | | | | |
| Board of Appeals | 96 | — | — | — | — |
| Board of Examiners | 5 | — | — | — | — |
| City Clerk Department | 11 | 14 | 11 | 14 | 15 |
| Registry Division | 25 | 22 | 19 | 29 | 28 |
| City Record, Publication of | 2 | 2 | — | — | — |
| Community Schools Administration | 146 | 167 | 131 | 230 | 353 |
| Election Department | 40 | 55 | 50 | 50 | 53 |
| Listing Board | 6 | 18 | 135 | 238 | 130 |
| Finance Commission | 3 | 4 | 4 | 4 | 4 |
| Fire Department | 1,707 | 1,715 | 1,725 | 1,790 | 1844 |
| Hospital Department: | | | | | |
| Hospital Division | — | 3,122 | 3,116 | 3,085 | 3060 |
| Sanatorium Division | 4,039 | 364 | 404 | 369 | 363 |
| Long Island Hospital Division | — | 487 | 401 | 405 | 413 |
| Housing Inspection Department: | | | | | |
| Inspectional Services | 250 | 275 | 227 | 275 | 281 |
| Weights and Measures Division | 15 | — | — | — | — |
| Law Department: | | | | | |
| Workmen's Compensation Service | 59 | 63 | 58 | 55 | 50 |
| Library Department | 12 | 10 | 10 | 11 | 11 |
| Licensing Board | 625 | 629 | 660 | 653 | 673 |
| Parks and Recreation Department: | | | | | |
| Cemetery Division | 14 | 14 | 13 | 12 | 13 |
| Police Department | 229 | 262 | 255 | 188 | 242 |
| Public Facilities Department | 32 | 38 | 33 | 28 | 40 |
| Public Works Department: | 2,262 | 2,453 | 2,388 | 2,461 | 2,723 |
| Central Office | 216 | 235 | 225 | 287 | 309 |
| Incinerator | — | — | — | — | 28 |
| Automotive Division | 30 | 91 | 92 | 6 | 6 |
| Bridge Service | 58 | — | — | — | — |
| Highway Service | 48 | 41 | 41 | — | 33 |
| Engineering | 361 | 231 | 213 | 325 | 209 |
| Sewer Service | 90 | 25 | 24 | 98 | 96 |
| Frontage Rd. | — | — | — | — | — |
| Real Property Department: | | | | | |
| Real Property Division | — | — | — | 182 | 238 |
| Buildings Division | 22 | 168 | 117 | 112 | 123 |
| County | 91 | — | — | 20 | — |
| Real Property — Property | — | 21 | 15 | 16 | 18 |
| Environmental Division | — | 13 | 15 | 15 | 14 |
| Public Improvements | — | 6 | — | — | — |
| Fair Housing | — | 7 | 8 | 7 | 7 |
| School Buildings Department: | | | | | |
| School Department | 52 | — | — | — | — |
| Treasury: | 7,748 | 8,127 | 8,323 | 8,534 | 8689 |
| Collecting Division | 34 | 30 | 26 | 33 | 37 |
| Treasury Division | 25 | 25 | 30 | 29 | 33 |
| Veterans' Services Department | 28 | 27 | 23 | 23 | 22 |
| Veterans' Graves Registration | 3 | 3 | 3 | 3 | 3 |
| Total — County of Suffolk | 627 | 626 | 622 | 664 | 710 |
| Total | 19,971 | 20,761 | 20,687 | 21,495 | 22,242 |

As Required Under the Provisions of Chapter 486, Section 27, of the Acts of 1909 as Amended (City Charter).

DIRECT DEBT OUTSTANDING

year ended June 30, 1988

| | Outstanding June, 1987 | | Payments — Fiscal 1988 | | Outstanding June 30, 1988 | |
|---|------------------------|---------------|------------------------|--------------|---------------------------|---------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| GENERAL PURPOSE | | | | | | |
| Auditorium | \$1,320,000 | \$159,218 | \$185,000 | \$ 39,687 | \$ 1,135,000 | \$ 119,531 |
| Acq. of land, parks & playgrounds | 3,975,000 | 2,126,664 | 295,000 | 257,700 | 3,680,000 | 1,868,964 |
| Automatic traffic control signals | 720,000 | 435,577 | 65,000 | 52,495 | 655,000 | 383,082 |
| Departmental equipment | 13,062,391 | 4,454,396 | 2,020,637 | 996,105 | 11,041,754 | 3,458,291 |
| New city hall | 7,430,000 | 1,578,536 | 785,000 | 299,781 | 6,645,000 | 1,278,755 |
| E.D.I.C. | 9,896,540 | 6,480,264 | 392,723 | 739,888 | 9,503,816 | 5,740,376 |
| Remodeling and extra repairs | 43,490,924 | 27,762,161 | 3,271,410 | 3,525,456 | 40,219,513 | 24,236,705 |
| Total "General Purpose" | 79,894,856 | 42,996,821 | 7,014,770 | 5,911,114 | 72,880,085 | 37,085,706 |
| SCHOOL BUILDINGS: | | | | | | |
| Capital improvements, act of 1966 | 7,505,000 | 2,093,549 | 1,045,000 | 420,450 | 6,460,000 | 1,673,099 |
| Capital improvements, act of 1973 | 13,075,326 | 8,647,230 | 611,385 | 1,008,651 | 12,463,940 | 7,638,579 |
| Constr. of bldgs.; acq. of land | 110,000 | 2,338 | 110,000 | 2,237 | 0 | 1 |
| School project loan, act of 1948 | 124,098,125 | 46,607,314 | 14,459,638 | 8,836,570 | 109,638,486 | 37,770,744 |
| Total "School Buildings" | 144,788,451 | 57,350,431 | 16,226,024 | 10,268,008 | 128,562,427 | 47,082,423 |
| OTHER PUBLIC BUILDINGS: | | | | | | |
| Capital improvements, act of 1966 | 27,590,000 | 6,460,774 | 4,320,000 | 1,638,547 | 23,270,000 | 4,822,227 |
| Capital improvements, act of 1973 | 39,674,506 | 24,692,817 | 2,076,088 | 2,895,072 | 37,598,417 | 21,797,744 |
| Constr. of bldgs.; acq. of land | 22,443,552 | 12,124,649 | 3,642,961 | 2,110,016 | 18,800,591 | 10,014,633 |
| Hospital Improve. loan, act of 1970 | 3,750,000 | 596,250 | 750,000 | 198,750 | 3,000,000 | 397,500 |
| Total "Other Public Buildings" | 93,458,059 | 43,874,492 | 10,789,049 | 6,842,387 | 82,669,009 | 37,032,104 |
| PUBLIC WORKS: | | | | | | |
| Bridges | 2,966,725 | 1,610,559 | 272,483 | 204,374 | 2,694,242 | 1,406,184 |
| Public ways | 26,592,569 | 13,628,757 | 5,710,363 | 2,734,106 | 20,882,205 | 10,894,650 |
| Sidewalks | 6,408,130 | 4,510,310 | 216,773 | 490,020 | 6,191,357 | 4,020,290 |
| Street lighting | 8,455,000 | 2,586,263 | 1,095,000 | 628,958 | 7,360,000 | 1,957,304 |
| Total "Public Works" | 44,422,426 | 22,335,890 | 7,294,621 | 4,057,459 | 37,127,805 | 18,278,430 |
| OTHER: | | | | | | |
| Urban redevl. and relocation | 83,367,133 | 42,623,109 | 7,383,378 | 6,095,919 | 75,983,755 | 36,527,189 |
| Parking Facilities | 13,548,929 | 6,592,977 | 1,442,011 | 990,233 | 12,106,918 | 5,602,743 |
| Water mains and meters | 1,855,000 | 478,368 | 350,000 | 131,436 | 1,505,000 | 346,932 |
| Sewerage loan | 2,090,000 | 620,483 | 340,000 | 130,880 | 1,750,000 | 489,603 |
| Funding loan — act of 1982 | 39,800,000 | 12,478,750 | 4,300,000 | 3,389,750 | 35,500,000 | 9,089,000 |
| Rapid Transit Debt | 7,608,500 | 1,274,380 | 115,000 | 204,997 | 7,493,500 | 1,089,383 |
| Total "Other" | 148,269,562 | 64,068,069 | 13,930,389 | 10,943,216 | 134,339,173 | 53,124,852 |
| Grand Total of All Categories | \$510,833,356 | \$230,625,704 | \$55,254,855 | \$38,022,186 | \$455,578,500 | \$192,603,517 |

Table 23
ANALYSIS OF DEBT AUTHORIZED BUT UNISSUED
Year ended June 30, 1988

| | | |
|---|---------------|-----------------------------|
| Balance, June 30, 1987 | \$229,040,000 | |
| Add: City Council Authorizations (Note A) | 79,960,000 | |
| | | <u>\$309,000,000</u> |
| Less: Bonds Issued | — | |
| Authorizations Rescinded (Note A) | \$(1,960,000) | |
| | | <u>(1,960,000)</u> |
| Balance, June 30, 1988 | | <u><u>\$307,040,000</u></u> |

Note A. City Council Authorizations (Rescissions) as follows:

| Purpose | Effective Date | Amount | Authorization |
|--|----------------|----------------------------|--|
| Remodeling & Extraordinary Repairs | 1/21/88 | \$22,980,000 | C. 44, s. 7 (3a) |
| — includes: Schools | | | |
| Remodeling & Extraordinary Repairs | 1/21/88 | 7,075,000 | C. 44, s. 7 (3a) |
| — includes: Real Property | | | |
| Remodeling & Extraordinary Repairs | 1/21/88 | 6,990,000 | C. 44, s. 7 (3a) |
| — includes: Parks & Recreation, Real Property, Schools | | | |
| Remodeling & Extraordinary Repairs | 1/21/88 | 6,610,000 | C. 44, s. 7 (3a) |
| — includes: Fire, Police, Library | | | |
| Remodeling & Extraordinary Repairs | 1/21/88 | 7,850,000 | C. 44, s. 7 (3a) |
| — includes: Health & Hospitals | | | |
| Construction or Reconstruction of Bridges | 1/21/88 | 8,605,000 | C. 44, s. 7(4) |
| Construction of Public Ways | 1/21/88 | 3,585,000 | C. 44, s. 7(5) |
| Acquisition of Land; Parks & Playgrounds | 1/21/88 | 615,000 | C. 44, s. 7(20) |
| — Parks & Recreation — Cemeteries | | | |
| Acquisition of Land; Parks & Playgrounds | 1/21/88 | 6,565,000 | C. 44, s. 7(25) |
| — Parks & Recreation — Outdoor Facilities | | | |
| Capital Improvements — Act of 1973 — Various Departments ... | 1/21/88 | 5,645,000 | C. 642, s. 7A Act '66 as inserted by: C. 1030, Act '73 |
| — includes: Public Works, Parks & Rec., Transport., Public Facil. | | | |
| Urban Renewal — Central Business District | 1/21/88 | 550,000 | C. 121B, s. 20 |
| Urban Renewal — South End | 1/21/88 | 1,340,000 | C. 121B, s. 20 |
| Urban Renewal — Waterfront | 1/21/88 | 1,550,000 | C. 121B, s. 20 |
| School Project Loan — Act of 1948 | 2/ 1/88 | (1,960,000) | C. 645 Act of 1948 |
| —Latin School | | | |
| Total Authorizations in fiscal 1988 | | <u><u>\$78,000,000</u></u> | |

Table 24
CITY OF BOSTON AND COUNTY OF SUFFOLK
DEBT INCURRING POWER — WITHIN DEBT LIMIT (Note A)
Year ended June 30, 1988

| | | |
|--|----------------|-----------------------|
| Total Debt Incurring Power — within the debt limit (5% of \$22,763,118,000 Equalized Valuation under section 10C of Chapter 58 of the General Laws for use in F'88 and F'89) | | \$1,138,155,900 |
| Less Debt Incurring Power Used: | | |
| Debt Outstanding June 30, 1987 (Within Debt Limit) | \$ 130,314,294 | |
| Loans Authorized but Unissued June 30, 1987 (Within Debt Limit) | 152,700,000 | |
| | | 283,014,294 |
| Debt Incurring Power Available July 1, 1987 | | <u>\$ 855,141,606</u> |
| Add: | | |
| Sinking Fund Surplus Available for Debt Retirement | 63,089 | |
| Debt to be Redeemed July 1, 1987, through June 30, 1988 | 17,039,629 | |
| | | \$ 17,102,718 |
| Less: | | |
| City Council Authorizations July 1, 1987, through June 30, 1988 | | 70,875,000 |
| Debt Incurring Power Within Debt Limit Available for Authorization June 30, 1988 | | <u>\$ 801,369,324</u> |

Note A. Sections 7, 7A, 8 and 10 of Chapter 44 of the General Laws provide that debt for certain specified purposes cannot exceed the debt limit as calculated herein. Debt for certain other purposes can be incurred outside of this limit.

Table 25
COMBINED SCHEDULE OF BONDS PAYABLE
year ended June 30, 1988

| Serial Bond Issued | Original Amount Issued | Payable to Last Payment Date of: | General Purpose | Economic Development Industrial Corporation | Schools | Parking Facilities | Urban Redevelopment | Water and Sewer | TOTAL |
|---------------------------|------------------------|----------------------------------|-----------------|---|---------------|--------------------|---------------------|-----------------|---------------|
| | | | | | | | | | |
| AUGUST 15, 1986 (A) | \$58,525,000 | 8-1-2004 | \$ 29,303,083 | \$2,233,817 | \$ 12,187,427 | \$ 211,918 | \$14,048,755 | | \$ 57,985,000 |
| APRIL 15, 1986 | 65,000,000 | 5-1-2006 | 48,420,000 | 4,440,000 | 3,985,000 | | 7,030,000 | | 63,875,000 |
| MAY 1, 1985 | 65,000,000 | 1-1-1999 | 22,335,000 | 750,000 | 3,310,000 | | 11,295,000 | | 37,690,000 |
| MAY 1, 1984 | 55,000,000 | 1-1-1996 | 20,260,000 | 720,000 | 200,000 | 205,000 | 2,670,000 | | 24,055,000 |
| SEPTEMBER 1, 1983 | 30,000,000 | 8-1-1995 | 6,590,000 | | 4,280,000 | | 3,300,000 | | 14,170,000 |
| JANUARY 1, 1983 | 45,000,000 | 7-1-1992 | 35,500,000 | | | | | | 35,500,000 |
| JUNE 1, 1980 | 30,000,000 | 6-1-2000 | 4,030,000 | 300,000 | | 6,900,000 | 790,000 | | 12,020,000 |
| MARCH 1, 1980 | 25,000,000 | 3-1-1992 | 1,475,000 | 480,000 | 2,100,000 | | | | 4,055,000 |
| MAY 1, 1979 | 55,000,000 | 5-1-1999 | 2,835,000 | 580,000 | 12,475,000 | 2,750,000 | 5,875,000 | | 24,515,000 |
| APRIL 1, 1978 | 25,000,000 | 4-1-1998 | 1,900,000 | | 7,680,000 | 350,000 | 800,000 | | 10,730,000 |
| NOVEMBER 1, 1977 | 40,000,000 | 11-1-1997 | 2,045,000 | | 12,500,000 | 925,000 | 3,440,000 | | 18,910,000 |
| MARCH 1, 1977 | 40,000,000 | 3-1-1997 | 1,665,000 | | 9,900,000 | | 3,060,000 | \$ 120,000 | 14,745,000 |
| OCTOBER 1, 1976 | 35,000,000 | 10-1-1995 | 720,000 | | 9,680,000 | | 2,725,000 | 475,000 | 13,600,000 |
| MARCH 1, 1976 | 85,000,000 | 3-1-1996 | 4,155,000 | | 18,150,000 | | 5,020,000 | 435,000 | 27,760,000 |
| APRIL 1, 1975 | 39,980,000 | 4-1-1995 | 6,995,000 | | 4,130,000 | | 2,170,000 | 385,000 | 13,680,000 |
| JUNE 1, 1974 | 43,110,000 | 6-1-1994 | 4,080,000 | | 4,725,000 | | 2,380,000 | 450,000 | 11,635,000 |
| SEPTEMBER 1, 1973 | 27,000,000 | 9-1-1993 | 2,400,000 | | 3,000,000 | | 1,950,000 | | 7,350,000 |
| DECEMBER 1, 1972 | 39,000,000 | 12-1-1992 | 3,175,000 | | 3,750,000 | | 900,000 | 400,000 | 8,225,000 |
| JUNE 1, 1972 | 45,000,000 | 6-1-1992 | 3,480,000 | | 4,700,000 | 400,000 | | | 8,180,000 |
| DECEMBER 1, 1971 | 52,180,000 | 12-1-1991 | 1,990,000 | | 4,100,000 | | 1,300,000 | | 7,790,000 |
| AUGUST 1, 1971 | 25,000,000 | 8-1-1991 | 2,400,000 | | 2,000,000 | | 600,000 | | 5,000,000 |
| DECEMBER 1, 1970 | 30,000,000 | 12-1-1990 | 915,000 | | 1,125,000 | 90,000 | 735,000 | 255,000 | 3,120,000 |
| AUGUST 1, 1970 | 20,000,000 | 8-1-1990 | 1,200,000 | | 750,000 | | 675,000 | 75,000 | 2,700,000 |
| DECEMBER 1, 1969 | 24,000,000 | 12-1-1999 | 890,000 | | 1,220,000 | 50,000 | 1,535,000 | 610,000 | 4,305,000 |
| AUGUST 1, 1969 | 15,000,000 | 8-1-1999 | 1,660,000 | | 1,980,000 | | 1,400,000 | | 5,040,000 |
| DECEMBER 1, 1968 | 17,780,000 | 12-1-1998 | 685,000 | | 335,000 | 25,000 | 840,000 | 25,000 | 1,910,000 |
| AUGUST 1, 1968 | 12,150,000 | 8-1-1993 | 75,000 | | | 200,000 | 720,000 | | 1,020,000 |
| DECEMBER 1, 1967 | 23,020,000 | 12-1-1997 | 1,300,000 | | 300,000 | | 725,000 | | 2,325,000 |
| AUGUST 1, 1967 | 9,180,000 | 8-1-1997 | 1,650,000 | | | | | | 1,650,000 |
| NOVEMBER 1, 1966 | 18,500,000 | 11-1-1996 | 1,170,000 | | | | | | 1,170,000 |
| NOVEMBER 1, 1965 | 12,400,000 | 11-1-1995 | 1,080,000 | | | | | | 1,080,000 |
| DECEMBER 1, 1964 | 13,075,000 | 12-1-1994 | 175,000 | | | | | | 175,000 |
| JUNE 1, 1964 | 10,640,000 | 6-1-1994 | 2,120,000 | | | | | | 2,120,000 |
| | | | \$218,673,083 | \$9,503,817 | \$128,562,427 | \$12,106,918 | \$75,983,755 | \$3,255,000 | \$448,085,000 |

Rapid Transit Debt.....

(B) 7,493,500

Note A. The "Refunding Loan" of August 15, 1986, refunded certain amounts from four previous Bond Issues:

March 1, 1980: \$5,995,000 • September 1, 1983: \$7,595,000 • May 1, 1984: \$16,150,000 • May 1, 1985: \$18,135,000

\$455,578,500

SINGLE AUDIT SECTION

CITY OF BOSTON, MASSACHUSETTS

**Schedule of Federal Financial Assistance
and Auditors' Reports Required under the
Single Audit Act of 1984**

year ended June 30, 1988

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

One Boston Place
Boston, MA 02108

Telephone 617 723 7700

Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

*To the Honorable Mayor and City Council
City of Boston, Massachusetts.*

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1988, and have issued our report thereon dated December 16, 1988. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*; issued by the U.S. General Accounting Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions. We did not examine the financial statements of the following entities and funds which are included in the City's general purpose financial statements:

Boston Redevelopment Authority
Trustees of Health and Hospitals of the City of Boston, Inc.
Boston Retirement System
Economic Development and Industrial Corporation of Boston
Library Trust Funds

These statements were examined by other auditors. The accompanying schedule of federal financial assistance includes the programs of the City of Boston and County of Suffolk and excludes the federal financial assistance programs of the entities and funds listed above.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City of Boston, Massachusetts, taken as a whole. The supplementary information included in the accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Peat Marwick Main & Co.

December 16, 1988.

CITY OF BOSTON, MASSACHUSETTS
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
year ended June 30, 1988

| Federal Grantor/Pass Through Grantor Program Title | Federal CFDA Number | Program or Award Amount | Unexpended Balance (Deficit) 7-1-87 | Grant Revenue F.Y. 1988 | Expenditures F.Y. 1988 | Unexpended Balance (Deficit) 6-30-88 | Encumbrances 6-30-88 | Unencumbered Balance 6-30-88 |
|--|---------------------|-------------------------|-------------------------------------|-------------------------|------------------------|--------------------------------------|----------------------|------------------------------|
| U.S. Department of Agriculture (Note 2) | | | | | | | | |
| Passed through State Department of Education: | | | | | | | | |
| Food Distribution | 10.550 | — | — | \$ 621,635 | \$ 621,635 | — | — | — |
| School Breakfast and | 10.553 | | | | | | | |
| National School Lunch Program | 10.555 | \$101,926,462 | \$ 6,029,362 | 11,950,032 | 11,469,514 | \$ 6,509,880 | \$(194,995) | \$ 6,704,875 |
| Total U.S. Department of Agriculture | | 101,926,462 | 6,029,362 | 12,571,667 | 12,091,149 | 6,509,880 | (194,995) | 6,704,875 |
| U.S. Department of Health and Human Services | | | | | | | | |
| Direct Program: | | | | | | | | |
| Acquired Immunodeficiency Syndrome (AIDS) Activity | 13.118 | 138,071 | — | — | 56,197 | (56,197) | 2,436 | (58,633) |
| Passed through State Department of Elderly Affairs: | | | | | | | | |
| Special Programs for the Aging, Title III. | 13.633 | 733,050 | 203,117 | 96,902 | 95,514 | 204,505 | — | 204,505 |
| Total U.S. Department of Health and Human Services | | 871,121 | 203,117 | 96,902 | 151,711 | 148,308 | 2,436 | 145,872 |
| U.S. Department of Housing and Urban Development | | | | | | | | |
| Direct Programs: | | | | | | | | |
| Community Development Block Grant-Entitlement | 14.218 | 426,103,956 | 8,551,174 | 22,167,790 | 23,111,776 | 7,607,188 | 6,899,932 | 707,256 |
| Urban Development Action Grant | 14.221 | 46,384,438 | (15,890,146) | 5,068,669 | 5,685,723 | (16,507,200) | (5,685,723) | (10,821,477) |
| Homesteading Program | 14.222 | 3,234,458 | (3,473,218) | — | — | (3,473,218) | — | (3,473,218) |
| Fair Housing Assistance Programs | 14.401 | 2,006,664 | (1,966,199) | 66,250 | 83,782 | (1,983,731) | 4,921 | (1,988,652) |
| Total U.S. Department of Housing and Urban Development | | 477,729,516 | (12,778,389) | 27,302,709 | 28,881,281 | (14,356,961) | 1,219,130 | (15,576,091) |
| U.S. Department of Interior | | | | | | | | |
| Direct Program: | | | | | | | | |
| Urban Park and Recreation Recovery Program | 15.919 | 767,730 | 6,165 | — | 20,084 | (13,919) | (13,737) | (182) |

See accompanying notes to schedule of federal financial assistance.

CITY OF BOSTON, MASSACHUSETTS
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
year ended June 30, 1988

| Federal Grantor/Pass Through Grantor Program Title | Federal CFDA Number | Program or Award Amount | Unexpended Balance (Deficit) 7-1-87 | Grant Revenue F.Y. 1988 | Expenditures F.Y. 1988 | Unexpended Balance (Deficit) 6-30-88 | Encumbrances 6-30-88 | Unencumbered Balance 6-30-88 |
|--|---------------------------|-------------------------------|--|-------------------------------|---------------------------|---|-------------------------|------------------------------------|
| U.S. Department of Justice | | | | | | | | |
| Direct Program: | | | | | | | | |
| Criminal Justice Discretionary Grant | 16.574 | \$ 80,000 | \$ (15,418) | \$ 30,382 | \$ 29,578 | \$(14,614) | \$ 3,550 | \$ (18,164) |
| U.S. Department of Labor | | | | | | | | |
| Passed through State Executive Office of Economic Affairs: | | | | | | | | |
| Labor Management Relations and Cooperative Programs | 17.130 | 439,927 | 1,028,057 | (22,909) | — | 1,005,148 | — | 1,005,148 |
| Employment Service (Note 3) | 17.207 | — | 6,041,788 | — | 6,041,788 | — | — | — |
| Comprehensive Employment and Training Act Program (Note 3) | 17.232 | — | 46,434 | — | 46,434 | — | — | — |
| Senior Community Service Employment Program | 17.235 | 1,238,979 | 24,725 | 267,140 | 265,178 | 26,687 | — | 26,687 |
| Employment and Training Assistance, Dislocated Workers | 17.246 | 62,940 | 89,367 | 22,863 | 21,434 | 90,796 | (21,434) | 112,230 |
| Job Training Partnership Act | 17.250 | 26,957,172 | 87,511 | 6,169,322 | 6,575,930 | (319,097) | (1,381,977) | 1,062,880 |
| Comprehensive Employment and Training Act Program, Title I (Note 3) | 17.323 | — | (7,550,266) | — | (7,550,266) | — | — | — |
| Total U.S. Department of Labor | | 28,699,018 | (232,384) | 6,436,416 | 5,400,498 | 803,534 | (1,403,411) | 2,206,945 |
| U.S. Department of the Treasury | | | | | | | | |
| Direct Program: | | | | | | | | |
| Direct and Local Government Fiscal Assistance-Revenue Sharing | 21.300 | 6,747,956 | (120,553) | 28,945 | 626,250 | (717,858) | — | (717,858) |
| Action | | | | | | | | |
| Direct Program: | | | | | | | | |
| Retired Senior Volunteer Program | 72.002 | 317,121 | 1,933 | 52,460 | 64,624 | (10,231) | — | (10,231) |

See accompanying notes to schedule of federal financial assistance.

CITY OF BOSTON, MASSACHUSETTS
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
year ended June 30, 1988

| Federal Grantor/Pass Through Grantor Program Title | Federal CFDA Number | Program or Award Amount | Unexpended Balance (Deficit) 7-1-87 | Grant Revenue F.Y. 1988 | Expenditures F.Y. 1988 | Unexpended Balance (Deficit) 6-30-88 | Encumbrances 6-30-88 | Unencumbered Balance 6-30-88 |
|---|---------------------|-------------------------|-------------------------------------|-------------------------|------------------------|--------------------------------------|----------------------|------------------------------|
| U.S. Department of Energy | | | | | | | | |
| Passed through State Department of Energy: | | | | | | | | |
| Energy Conservation | 81.041 | \$ 1,360,996 | \$ 292,364 | — | — | \$ 292,364 | — | \$ 292,364 |
| Basic Energy Program Analysis and Field Operations Management | 81.049 | 150,463 | (23,618) | 20,600 | — | (3,018) | — | (3,018) |
| Energy Technology Conservation | 81.051 | 41,438 | 14,242 | — | (5,930) | 20,172 | — | 20,172 |
| Conservation for Instructional Buildings | 81.052 | 109,448 | (19,770) | 23,301 | 20,985 | (17,454) | (17,625) | 171 |
| Total U.S. Department of Energy | | 1,662,345 | 263,218 | 43,901 | 15,055 | 292,064 | (17,625) | 309,689 |
| U.S. Department of Education | | | | | | | | |
| Passed through State Department of Education: | | | | | | | | |
| Bilingual Education | 84.003 | 5,045,388 | (1,284,959) | 1,622,939 | 1,000,692 | (662,712) | (21,428) | (641,284) |
| Education of Handicapped Children | 84.009 | 3,310,753 | 213,125 | 248,236 | 795,637 | (334,276) | 6,455 | (340,731) |
| Educationally Deprived Children, Chapter 1 .. | 84.010 | 77,704,330 | 3,385,337 | 11,558,483 | 14,431,985 | 511,835 | 162,934 | 348,901 |
| Assistance for Education of Handicapped Children | 84.027 | 12,271,253 | (414,040) | 1,309,159 | 2,439,029 | (1,543,910) | (962) | (1,542,948) |
| Vocational Education | 84.048 | 7,380,207 | (15,266) | 1,048,624 | 869,219 | 164,139 | (3,394) | 167,533 |
| Transition Program for Refugee Children | 84.146 | 1,270,466 | 409,802 | — | 256,556 | 153,246 | 50 | 153,196 |
| Improving School Programs, Chapter 2 | 84.151 | 6,322,868 | 914,049 | 1,564,395 | 1,727,896 | 750,548 | 168,784 | 581,764 |
| Emergency Immigrant Education Assistance .. | 84.162 | 464,930 | 204,397 | — | 122,460 | 81,937 | 7,042 | 74,895 |
| State Grants for Strengthening the Skills of Teachers | 84.164 | 207,407 | 10,846 | 50,000 | 44,852 | 15,994 | 4,003 | 11,991 |
| Handicapped - Pre-school Incentive Grants | 84.173 | 725,518 | (208,704) | 387,909 | 212,882 | (33,677) | (90,330) | 56,653 |
| National Program for Drug-Free Schools and Communities | 84.184 | 367,907 | — | 249,454 | 257,198 | (7,744) | 15,671 | (23,415) |
| Total Passed Through State Department of Education | | \$115,071,027 | \$3,214,587 | \$18,039,199 | \$22,158,406 | \$ (904,620) | 248,825 | (1,153,445) |

See accompanying notes to schedule of federal financial assistance.

CITY OF BOSTON, MASSACHUSETTS
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
year ended June 30, 1988

| Federal Grantor/Pass Through Grantor Program Title | Federal CFDA Number | Program or Award Amount | Unexpended Balance (Deficit) 7-1-87 | Grant Revenue F.Y. 1988 | Expenditures F.Y. 1988 | Unexpended Balance (Deficit) 6-30-88 | Encumbrances 6-30-88 | Unencumbered Balance 6-30-88 |
|---|---------------------------|-------------------------------|--|-------------------------------|---------------------------|---|-------------------------|------------------------------------|
| Direct Programs: | | | | | | | | |
| School Assistance in Federally Affected Areas . | 84.041 | \$ 5,017,694 | \$ 63,276 | \$ 69,647 | \$ 1,081 | \$ 131,842 | \$ (1,121) | \$ 132,963 |
| Indian Education | 84.060 | 162,019 | 2,408 | 58,609 | 52,179 | 8,838 | 5,385 | 3,453 |
| Strengthening Research Library Sources | 84.091 | 110,000 | — | — | — | — | — | — |
| Total Direct Programs | | 5,289,713 | 65,684 | 128,256 | 53,260 | 140,680 | 4,264 | 136,416 |
| Total U.S. Department of Education | | 120,360,740 | 3,280,271 | 18,167,455 | 22,211,666 | (763,940) | 253,089 | (1,017,029) |
| National Archives and Records Administration | | | | | | | | |
| Direct Program: | | | | | | | | |
| National Historical Publications | 89.003 | 115,001 | 3,578 | — | 25 | 3,553 | — | 3,553 |
| Additional Federal Assistance | | | | | | | | |
| U.S. Department of Commerce | | | | | | | | |
| Local Public Works | — | — | 6,980,893 | — | — | 6,980,893 | — | 6,980,893 |
| Total Federal Assistance (Note 2) | | \$739,277,010 | \$3,621,793 | \$64,730,837 | \$69,491,921 | \$(1,139,291) | \$(151,563) | \$(987,728) |

See accompanying notes to schedule of federal financial assistance.

CITY OF BOSTON, MASSACHUSETTS
Note to Schedule of Federal Financial Assistance
June 30, 1988

(1) *Definition of Reporting Entity*

The City reporting entity is defined in note 1 to the City's general purpose financial statements. The accompanying schedule of Federal financial assistance presents only the activity of the Federal financial assistance programs of the oversight entity, the City of Boston, Massachusetts. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

(2) *Summary of Significant Accounting Policies*

The accounting and reporting policies of the Federal financial assistance programs are set forth below:

(a) *Basis of Accounting*

Revenues are recorded when received. Expenditures are recorded when the respective goods and services have been received or rendered.

(b) *School Breakfast/Lunch Program*

Program expenditures for the School Breakfast and National School Lunch programs represent total expenditures for meals provided during the year. The amount of Federal reimbursement of the expenditures was \$7,782,541.

(c) *Food Distribution Program*

Non-cash contributions of commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule.

(3) *Grants Closed-Out*

During fiscal year 1988 the Employment Service and Comprehensive Employment and Training Act Program (CETA) grants were closed-out and the remaining funds returned to the grantor and the CETA - Title I grant fund deficit was closed out by transfer to another fund as follows:

| CFDA Number | Description | Total |
|-------------|---|---------------|
| 17.207 | Employment Service | \$ 6,041,788 |
| 17.232 | Comprehensive Employment and Training Act Program | \$ 46,434 |
| 17.323 | Comprehensive Employment and Training Act Program - Title I | \$(7,550,266) |

These amounts have been reflected as expenditures in the schedule of federal financial assistance.

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

One Boston Place
Boston, MA 02108

Telephone 617 723 7700
Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

INDEPENDENT AUDITOR'S REPORT BASED ON COMPLIANCE AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL

To the Honorable Mayor and City Council
City of Boston, Massachusetts.

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1988, and have issued our report thereon, dated December 16, 1988. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*; issued by the U.S. General Accounting Office. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions. We did not examine the financial statements of the following entities and funds which are included in the City's general purpose financial statements:

Boston Redevelopment Authority
Trustees of Health and Hospitals of the City of Boston, Inc.
Boston Retirement System
Economic Development and Industrial Corporation of Boston
Library Trust Funds

These statements were examined by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to compliance at the general purpose financial statement level, is based solely upon the reports of the other auditors.

The management of the City of Boston, Massachusetts, is responsible for the City's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the City's compliance with those laws and regulations for which noncompliance could have a material effect on the City's general purpose financial statements.

The results of our tests and the reports of other auditors indicate that for the transactions and records tested the City of Boston, Massachusetts, complied with those laws and regulations for which noncompliance could have a material effect on the City's general purpose financial statements. With respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the City of Boston, Massachusetts, had not complied with laws and regulations.

Peat Marwick Main & Co.

December 16, 1988.

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

One Boston Place
Boston, MA 02108

Telephone 617 723 7700
Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS RELATED TO MAJOR AND NONMAJOR FINANCIAL ASSISTANCE PROGRAMS

To the Honorable Mayor and City Council
City of Boston, Massachusetts.

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1988, and have issued our report thereon dated December 16, 1988. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*; issued by the U.S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, *Audits of State and Local Governments*. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinions. We did not examine the financial statements of the following entities and funds which are included in the City's general purpose financial statements:

Boston Redevelopment Authority
Trustees of Health and Hospitals of the City of Boston, Inc.
Boston Retirement System
Economic Development and Industrial Corporation of Boston
Library Trust Funds

These statements were examined by other auditors. This report covers the federal financial assistance programs of the City of Boston and the County of Suffolk and excludes the federal financial assistance programs of the entities and funds listed above.

The management of the City of Boston, Massachusetts, is also responsible for the City's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records from each major federal financial assistance program and certain nonmajor federal financial assistance programs. The purpose of our testing of transactions and records from those federal financial assistance programs was to obtain reasonable assurance that the City of Boston, Massachusetts, had, in all material respects, administered its major programs and executed the tested nonmajor program transactions in compliance with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures. Such laws and regulations include those pertaining to federal financial reports and claims for advances and reimbursements.

In our opinion, the City of Boston, Massachusetts, administered each of its major federal financial assistance programs in compliance, in all material respects, with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures for the year ended June 30, 1988.

Our testing of transactions and records selected from major federal financial assistance programs disclosed instances of noncompliance with certain laws and regulations.

All instances of noncompliance that we found, and the programs to which they relate, are identified in the accompanying schedule of findings and questioned costs, the ultimate resolution of which cannot presently be determined. Accordingly, no provision for any liability that may result upon resolution has been made to the federal financial assistance programs to which they relate. We do not believe these instances of noncompliance could have a material effect on the allowability of program expenditures.

The results of our testing of transactions and records selected from nonmajor federal financial assistance programs indicate that for the transactions and records tested, the City of Boston, Massachusetts, complied with the laws and regulations referred to in the third paragraph of our report, except as described in the accompanying schedule of findings and questioned costs. Our testing was more limited than would be necessary to express an opinion on whether the City of Boston, Massachusetts, administered those programs in compliance, in all material respects, with those laws and regulations for which noncompliance could have a material effect on the allowability of program expenditures. With respect to the transactions and records that were not tested by us, nothing came to our attention to indicate that the City of Boston, Massachusetts, had not complied with laws and regulations other than those laws and regulations for which we noted violations in our testing referred to above.

Pest Maunich Main & Co.

December 16, 1988.

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

One Boston Place
Boston, MA 02108

Telephone 617 723 7700
Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

**COMBINED INDEPENDENT AUDITORS' REPORT ON INTERNAL ACCOUNTING
AND ADMINISTRATIVE CONTROLS AT THE GENERAL PURPOSE FINANCIAL STATEMENT LEVEL
AND THE FEDERAL FINANCIAL ASSISTANCE PROGRAM LEVEL**

To the Honorable Mayor and City Council
City of Boston, Massachusetts.

We have audited the general purpose financial statements of the City of Boston, Massachusetts, for the year ended June 30, 1988, and have issued our report thereon dated December 16, 1988. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in the *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions*, issued by the U.S. General Accounting Office; the Single Audit Act of 1984; and the provisions of OMB Circular A-128, *Audits of State and Local Governments*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements and whether management has complied with laws and regulations and has established and maintained a system of internal controls. An audit in accordance with these standards includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements and compliance with laws and regulations. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions. We did not examine the financial statements of the following entities and funds which are included in the City's general purpose financial statements:

Boston Redevelopment Authority
Trustees of Health and Hospitals of the City of Boston, Inc.
Boston Retirement System
Economic Development and Industrial Corporation of Boston
Library Trust Funds

These statements were examined by other auditors. This report covers the City of Boston and the County of Suffolk and excludes the entities and funds listed above.

The management of the City of Boston, Massachusetts, is also responsible for establishing and maintaining the internal control systems. In fulfilling that responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of internal control systems are to provide management with reasonable, but not absolute, assurance that, with respect to federal financial assistance programs, resource use is consistent with laws, regulations, and policies; that resources are safeguarded against waste, loss, and misuse; that transactions are executed in accordance with management's authorization; and that data are obtained, recorded and maintained properly to permit the preparation of financial statements in accordance with generally accepted accounting principles and the preparation of federal reports in accordance with federal requirements. Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

For purposes of this report, we have classified the significant internal accounting and administrative controls in the following categories:

Accounting Controls

- Revenue/receipts
- Purchasing/disbursements
- Payroll

Administrative Controls

General Requirements:

- Political Activity
- Davis Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance and Real Property Acquisition
- Federal Financial Reports

Specific Requirements:

- Types of Services
- Eligibility of Costs
- Matching Level of Efforts
- Reporting
- Special Requirements

Our study and evaluation included all the control categories listed above.

KPMG Peat Marwick

Certified Public Accountants

Peat Marwick Main & Co.

One Boston Place
Boston, MA 02108

Telephone 617 723 7700
Telex 617 443 0082 PMMBOST

Telecopier 617 723 6864

*To the Honorable Raymond L. Flynn, Mayor, City of Boston
and the Members of the Boston City Council:*

During the year ended June 30, 1988, the City expended 89.2 percent of its total federal financial assistance under major federal financial assistance programs. With respect to internal control systems used in administering major federal financial assistance programs, our study and evaluation included considering the types of errors and the irregularities that could occur, determining the internal control procedures that should prevent or detect such errors and irregularities, determining whether necessary procedures are prescribed and are being followed satisfactorily, and evaluating any weaknesses.

With respect to the internal audit control systems used solely in administering the nonmajor federal financial assistance programs, our study and evaluation was limited to a preliminary review of the systems to obtain an understanding of the control environment and the flow of transactions through the accounting system. Accordingly, our audit would not necessarily disclose material weaknesses in the internal systems used in administering nonmajor federal financial assistance programs.

Our study and evaluation, described above, was more limited than would be necessary to express an opinion on the internal control systems of the City of Boston, Massachusetts. Accordingly, we do not express an opinion on internal control systems of the City of Boston, Massachusetts, taken as a whole, or on any of the control categories identified above. However, our study and evaluation and our audit disclosed no condition that we believe to be a material weakness. In our letter to management, we have separately communicated our observations and recommendations regarding certain other matters, including those pertaining to nonmaterial internal control findings.

This report is intended solely for the use of management, the U.S. Department of Education and other applicable government agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Boston, Massachusetts, is a matter of public record.

Peat Marwick Main & Co.

December 16, 1988.

Introductory Section

Financial Section

General Fund

Revenue Funds

Projects Funds

